



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**PUBLIC DISCLOSURE**

August 13, 2012

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Bremer Bank, National Association  
Charter Number 23290

633 S. Concord Street  
South St. Paul, MN 55075-2410

Office of the Comptroller of the Currency

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

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## Overall CRA Rating

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

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

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

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

The major factors that support this rating include:

- Bremer’s lending test performance in the Minneapolis/St. Paul MSA is excellent. Bremer demonstrates excellent lending activity, excellent geographic distribution, and good borrower income distribution. Lending within the bank’s assessment areas is excellent with 94% of all bank loans made in one of the bank’s assessment areas. Community development lending is excellent and has a positive impact on the bank’s overall lending performance in the Minneapolis/St. Paul MSA.
- Bremer provided an excellent level of qualified investments throughout the bank’s assessment areas. Qualified investments are primarily from charitable contributions that address the needs of low- and moderate income individuals.
- Bremer’s performance under the service test is excellent. Bremer’s delivery systems are readily accessible to low- and moderate-income individuals and geographies. The bank is a leader in providing community development services to organizations that targeted low- and moderate-income individuals, addressing the issues of affordable housing, and promoting economic development initiatives.

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

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

## Description of Institution

Bremer Bank, National Association (Bremer) is an intrastate bank headquartered in South St. Paul, Minnesota. Bremer has 27 branches and one seasonal branch located at the Minnesota State Fair Grounds that is open only during the fair. Bremer is a full-service commercial bank that offers a wide variety of retail and commercial banking products and services.

As of December 31, 2011, Bremer had total assets of \$2.7 billion and held \$213 million in net Tier 1 Capital. Bremer's lending focus is to meet the community's residential real estate, commercial, and consumer lending needs. As of December 31, 2011, Bremer's \$1.6 billion loan portfolio consisted of 68% real estate loans, 28% commercial loans, and 4% consumer loans.

Bremer is wholly-owned by Bremer Financial Corporation (BFC), an \$8 billion banking organization headquartered in St. Paul, MN. BFC affiliates have more than 80 banking 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. A majority of the Foundation's assets are invested in BFC. Earnings generated by BFC are distributed to support nonprofit activities in communities served by BFC affiliates.

There are no known legal, financial, or other factors impeding Bremer's ability to help meet the credit needs in its AAs. Bremer was rated "Outstanding" at the last CRA examination dated June 1, 2009.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the lending test, including community development loans, is January 1, 2009 through December 31, 2011. Products reviewed in the lending test include home mortgage and small business loans. We did not consider home improvement, multifamily, or small farm loans as these three products combined accounted for less than one percent of total loan originations during the evaluation period. The analysis of these products would not be meaningful. We used 2010 peer lending data, the most recent data available, for home mortgage and small business to compare Bremer's performance to other reporting lenders in the assessment area.

As we evaluated Bremer's Lending Test performance, we gave the greatest weight to the bank's home mortgage performance, since this represented 62% by number of loans we considered in this evaluation. Small loans to businesses represented 38% of the loans. Within the home mortgage loan category, we gave the greatest weight to home refinance loans (45%), followed by home purchase loans (16%).

The evaluation period for qualified community development loans, investments, and services is January 1, 2009 through June 30, 2012. At the bank's request, we considered qualified investments made by the Otto Bremer Foundation.

### Data Integrity

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

We reviewed all community development loans, investments, and services provided to ensure they met the regulatory definition of community development. Those that did not meet the definition were excluded from this evaluation.

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

We selected the Minneapolis/St.Paul MSA AA to receive a full-scope review. We completed a limited-scope review of the MN non-MSA AA. The Minneapolis/St Paul MSA AA loan originations represented 97% of the total loans originated during the evaluation period, while loans originated in the MN non-MSA AA represented only 3%.

### **Ratings**

Bremer's rating is based mainly on the area that received a full-scope review, the Minneapolis/St. Paul AA. While considered, data related to the area that received a limited-scope review, the MN non-MSA AA, was not given significant weight in our analysis. As noted above, this is due to the low volume of activity in the MN non-MSA AA.

### **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance.

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

## Conclusions with Respect to Performance Tests

### LENDING TEST

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

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

#### Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

The volume of lending in the Minneapolis/St. Paul MSA is excellent. Lending levels reflect excellent responsiveness in relation to the identified credit needs and the bank's deposit market share. According to the June 30, 2011 FDIC Deposit market share report, Bremer ranks sixth of 153 banks located in the assessment area, with 1.94% deposit market share. Bremer originated 3,315 home mortgage loans totaling \$492 million and 1,992 small loans to businesses totaling \$508 million during the evaluation period. The bank ranks 13<sup>th</sup> of 109 lenders in overall market share for home mortgage loans with 1.11% of the market. The bank ranks 20<sup>th</sup> of 621 lenders in overall market share for small business loans with .80%.

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

The overall geographic distribution of loans is excellent.

##### *Home Mortgage Loans*

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

Bremer's geographic distribution of home mortgage loans in the Minneapolis/St. Paul AA is good. More weight was given to home refinance loans as they represent 73% of all home mortgage loans.

##### Home Purchase Loans

Bremer's geographic distribution of home purchase loans is excellent. The percentage of loans originated from both the low- and moderate income census tracts exceeds the percentage of owner-occupied housing units in those geographies. Similarly, Bremer's market share for loans made in both the low- and moderate-income geographies exceeds its overall market share for home purchase loans.

##### Home Refinance Loans

Bremer's geographic distribution of home refinance loans is good. The percentage of loans originated from both the low- and moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing units in those geographies. Bremer's market share for loans made in both the low- and moderate-income geographies exceeds its overall market share.

##### *Small Loans to Businesses*

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

Bremer's geographic distribution of small loans to businesses is excellent. The percentage of loans originated in both the low- and moderate-income census tracts exceeds the percentage of businesses within those geographies. Bremer's market share of small loan to businesses in low- and moderate-income geographies exceeds its overall market share.

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

Our geographic distribution analysis included a review of lending gaps, particularly in the low- and moderate-income census tracts. We did not identify any conspicuous gaps in the Minnesota non-MSA AA.

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

Bremer's level of loan originations and purchases within the AA is excellent. During our evaluation period, Bremer originated 94% of all small farm, small business, and home mortgage (refinance, purchase, and home improvement) loans within the AA.

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

The overall borrower distribution of loans is good.

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

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

Bremer's distribution of home mortgage loans by the income level of the borrower in the Minneapolis/St. Paul AA is excellent.

### **Home Purchase Loans**

Bremer's demographic distribution of home purchase loans is excellent. The percentage of home purchase loans exceeds both the percentages of low- and moderate-income families in the assessment area. In addition, Bremer's market share of loans to both low- and moderate-income borrowers exceeds its overall market share.

### **Home Refinance Loans**

Bremer's demographic distribution of home improvement loans is excellent. The percentage of home refinance loans to low-income borrowers, while below the demographic comparator, is considered excellent given a 4% family poverty rate in the assessment area. The percentage of home refinance loans exceeds the percentage of moderate-income families in the assessment area. In addition, Bremer's market share of home refinance loans to both low- and moderate-income borrowers exceeds its overall market share.

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

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

Bremer's borrower distribution of small loans to businesses is poor. The percentage of loans to businesses with revenues of \$1 million or less is lower than the percentage of businesses reporting revenues of \$1 million or less in the AA. Bremer's market share to businesses with revenues of \$1 million or less is somewhat lower than the overall market share. Bremer's lending market share within this AA of 1.11% was ranked 13 out of 103 lenders in market share for the AA. Five large banks comprise 79% of the market share in the AA.

## **Community Development Lending**

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

Community development lending had a positive impact on the bank's overall lending performance in the Minneapolis/St. Paul MSA. Bremer originated or purchased 28 community development loans during the evaluation period in the Minneapolis/St. Paul MSA AA totaling \$17.9 million. This volume constitutes 8.99% of allocated Tier One Capital. These loans supported economic development through support of small businesses as well as provide affordable housing to low- and moderate-income individuals. Bremer also originated or purchased four community development loans totaling \$5.6 million in a broader regional area that includes the Minneapolis/St. Paul MSA. We gave positive consideration to these community development loans as Bremer has adequately addressed the community development needs of its AAs.

## **Product Innovation and Flexibility**

Bremer does not have any new flexible or innovative loan products for this evaluation period. However, Bremer continues to offer various loan programs, some developed internally, to assist low- and moderate-income borrowers in meeting credit needs. Bremer's relationships with various local and state housing agencies and lenders help to provide a variety of products targeted to low- and moderate-income individuals for successful home ownership.

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

Based on a limited-scope review, the bank's performance under the lending test in the MN non-MSA AA is weaker than the bank's overall performance in the Minneapolis/St. Paul MSA. Performance is considered weaker due to limited lending volume in MN non-MSA AA. The MN non-MSA AA represents only 3% of loans originated by Bremer for the evaluation period. The bank's performance in the MN non-MSA AA had no impact on the overall lending test performance. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test is rated Outstanding. Based on full-scope reviews, the bank's performance in the Minneapolis/St. Paul MSA is excellent. Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Bremer's level of investments in the Minneapolis/St. Paul MSA are excellent given the bank's opportunities and responsiveness to the identified needs of the MSA. Bremer made 774 qualified grants and donations totaling \$25.7 million during the evaluation period. This equates to 12.90% of the bank's allocated Tier One Capital for the AA. In addition, the bank has another \$252 thousand in investments that benefit the greater regional area including this AA.

Bremer's qualified investments consisted primarily of charitable contributions to various organizations that provide community services and affordable housing targeted to low- and moderate-income individuals and support activities that promote economic development. Examples of investments include: funding to support community land trusts that provide affordable housing to low- and moderate-income individuals or geographies; funding for a nonprofit organization that provide shelter and services for homeless youth and families; and funding to support general operations of economic development corporations.

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

Based on limited-scope reviews, the bank's performance under the investment test in the MN non-MSA AA is weaker than bank's overall Outstanding performance under the investment test. Performance is considered weaker because of the limited number of investments made in the AA during the evaluation period. The bank made 8 qualifying investments totaling over \$151 thousand during the evaluation period. The bank's performance in the MN non-MSA AA has no impact on the overall investment test performance. Refer to Table 14 in Appendix C 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 is rated Outstanding. Based on a full-scope review, the bank's performance in the Minneapolis/St. Paul MSA is excellent.

### **Retail Banking Services**

Refer to Table 15 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 readily accessible to individuals of different income levels and in geographies of different income levels in the Minneapolis/St. Paul MSA. Bremer operates 25 branches in this assessment area, including one seasonal branch that is open for twelve days of the state fair on the Minnesota State Fairgrounds. One branch is located in a low-income census tract and five are located in moderate-income census tracts. While the percentage of the bank's branches located in low-income

census tracts is near the percentage of the population living in those tracts, the percentage of the bank's branches in moderate-income census tracts exceeds the percentage of the population living in those tracts. Bremer closed two branches during the evaluation period, of which one was located in a moderate-income census tract. Branch closures have not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies. Both closure decisions were due to declining demand and their close proximity to other existing branch locations.

Services do not vary in a way that inconveniences the AA, particularly low- and moderate-income individuals. Bremer offers a wide variety of traditional banking products and services to meet the needs of the AA. A majority of the branches have Saturday drive-up hours. Thirteen branch locations provide bilingual services for their customers.

In addition to the bank's existing branch network, banking services are available in several formats and include online banking, telephone banking, online loan applications, and an ATM network. Bremer does not track the impact of these services on its low- and moderate-income customers. Therefore, we did not place significant weight on these systems to reach conclusions on Bremer's performance. Bremer has 30 ATMs in the Minneapolis/St. Paul MSA AA, of which 25 ATMs are deposit-taking. Bremer closed 36 ATMs during the evaluation period, including one ATM in a low-income census tract and five in moderate-income census tracts. Nine of the ATMs were removed due to lack of activity, two were removed due to branch closures, and 25 ATMs were removed due to the business (primarily Kwik Trip) deciding to use a different ATM vendor. Bremer belongs to the MoneyPass ATM network which allows its customers to use any MoneyPass ATM in the United States without a surcharge or bank fee.

## **Community Development Services**

Bremer is a leader in providing community development services in the Minneapolis/St. Paul MSA. Bremer's Community Development Committee oversees community development activities. The Committee seeks opportunities for new service initiatives and coordinates efforts to make a bigger impact on local issues that affect the community. Fifty-two employees provided their financial expertise and services to 52 organizations that promote various community development initiatives in the AA. A majority of the qualified activities are volunteer board positions. This includes community service organizations that are mainly targeted to low- and moderate-income individuals, addressing the issues of affordable housing, and promoting economic development initiatives. Examples include: serving as board member for organization that supports economic and residential development in northeast Minneapolis; serving as president of advisory committee for organization that provides low-income housing; and serving on the Board of an organization that seeks affordable housing opportunities through the metro area.

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

Based on limited-scope reviews, the bank's performance under the Service Test in the MN non-MSA AA is weaker than the bank's overall Outstanding performance under the Service Test. Performance is weaker because the percent of branches located in moderate-income geographies is lower than the percentage of the population residing in moderate-income geographies. Bremer's performance in the MN non-MSA AA had no impact on the overall service test performance. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/2009 to 12/31/2011) Investment and Service Tests and CD Loans: (01/01/2009 to 06/30/2012)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Bremer Bank, National Association (Bremer) South St. Paul, MN	Home Mortgage, Small Business, and Community Development loans; Qualified Investments, Community Development Services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Otto Bremer Foundation	Holding Company	Qualified Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
State of Minnesota Minneapolis/St. Paul MSA	Full Scope	Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties
Minnesota Non-MSA	Limited Scope	Mille Lacs and Kanabec Counties

## Appendix B: Market Profiles for Full-Scope Areas

### Minneapolis/St. Paul MSA

Demographic Information for Full-Scope Area: Minneapolis/St. Paul MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	728	6.46	19.92	48.76	24.18	0.68
Population by Geography	2,868,847	4.72	17.25	52.26	25.70	0.07
Owner-Occupied Housing by Geography	795,932	1.55	13.44	56.15	28.86	0.00
Businesses by Geography	324,542	3.34	13.80	53.67	29.05	0.13
Farms by Geography	7,925	0.63	7.46	66.88	25.01	0.03
Family Distribution by Income Level	723,128	17.05	18.87	26.31	37.77	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	259,759	7.22	24.59	54.32	13.87	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below the Poverty Level	= \$64,885 = \$82,700 = 6%					Median Housing Value Unemployment Rate (12/31/11 BLS) = \$145,292 = 6.3%

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

Source: 2000 U.S. Census, 2011 HUD updated MFI, and Bureau of Labor Statistics

The Minneapolis/St. Paul AA consists of the 11 counties in the Minnesota portion of the multistate Minneapolis/St Paul/Bloomington MSA. The AA complies with the regulation and does not arbitrarily exclude low- or moderate-income geographies. Competition among financial institutions in the AA is high. As of June 30, 2011, Bremer ranks sixth in deposit market share out of 153 institutions with a presence in the AA.

The economic condition within the MSA has stabilized and the unemployment rate is declining. In 2009, during the beginning of the evaluation period, industries such as transportation, technology, retail stores, and school districts experienced high levels of layoffs. In March 2010, the unemployment rate peaked at 8.2% in the MSA. As of December 31, 2011, the unemployment rate was down to 6.3%, which compares to the national unemployment rate of 8.9% and the state rate of 6.4%. Major industries in the AA include education, health care, retail trade, and banking. Minneapolis is home to many Fortune 500 companies including UnitedHealth Group, Target, Supervalu, 3M, U.S. Bancorp, Medtronic, and General Mills.

Community and credit needs identified in the AA include affordable housing, foreclosure prevention, and small business lending. Bremer has responded to these community needs by lending to, investing in, and offering financial expertise to various community development organizations that help address these needs.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

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

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans

originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: BREMER TWIN CITIES												
Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011												
	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Assessment Area (2011):												
<b>Full Review:</b>												
Bremer Mpls/St. Paul MSA AA	96.51	3,315	492,510	1,992	508,581	4	525	28	0	5,311	1,001,616	95.42
<b>Limited Review:</b>												
Bremer MN Non-MSA AA	3.49	126	11,902	56	8,321	10	380	1	500	192	20,603	0.00

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from January 01, 2009 to December 31, 2011.  
 \*\*\* Deposit Data as of October 24, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: BREMER TWIN CITIES				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011									
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Bremer Mpls/St. Paul MSA AA	864	95.68	1.55	3.01	13.44	18.40	56.15	55.79	28.86	22.80	0.51	0.55	0.61	0.52	0.43
<b>Limited Review:</b>															
Bremer MN Non-MSA AA	39	4.32	0.00	0.00	6.37	2.56	93.63	97.44	0.00	0.00	2.79	0.00	0.00	2.91	0.00

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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.

<sup>\*\*\*\*</sup> 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		Geography: BREMER TWIN CITIES				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share (%) by Geography <sup>*</sup>				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans					
<b>Full Review:</b>															
Bremer Mpls/St. Paul MSA AA	28	93.33	1.55	3.57	13.44	10.71	56.15	57.14	28.86	28.57	0.21	1.41	0.20	0.17	0.22
<b>Limited Review:</b>															
Bremer MN Non-MSA AA	2	6.67	0.00	0.00	6.37	0.00	93.63	100.00	0.00	0.00	2.78	0.00	0.00	2.94	0.00

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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.

<sup>\*\*\*\*</sup> 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		Geography: BREMER TWIN CITIES				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Bremer Mpls/St. Paul MSA AA	2,407	96.59	1.55	1.12	13.44	10.22	56.15	56.21	28.86	32.45	0.96	1.61	1.42	1.04	0.76
<b>Limited Review:</b>															
Bremer MN Non-MSA AA	85	3.41	0.00	0.00	6.37	2.35	93.63	97.65	0.00	0.00	3.07	0.00	2.50	3.10	0.00

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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.

<sup>\*\*\*\*</sup> 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: BREMER TWIN CITIES					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share (%) by Geography <sup>*</sup>				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of MF Units <sup>***</sup>	% BANK Loans <sup>****</sup>	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans	% MF Units <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Bremer Mpls/St. Paul MSA AA	16	100.00	10.03	12.50	29.60	37.50	46.68	37.50	13.69	12.50	0.94	0.00	2.94	0.00	0.00	
<b>Limited Review:</b>																
Bremer MN Non-MSA AA	0	0.00	0.00	0.00	13.19	0.00	86.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> 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.

<sup>\*\*\*\*</sup> 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		Geography: BREMER TWIN CITIES					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans						
<b>Full Review:</b>																
Bremer Mpls/St. Paul MSA AA	1,992	97.27	3.34	4.87	13.80	18.52	53.67	56.88	29.05	19.73	1.12	1.93	1.90	1.28	0.61	
<b>Limited Review:</b>																
Bremer MN Non-MSA AA	56	2.73	0.00	0.00	6.05	1.79	93.95	98.21	0.00	0.00	6.62	0.00	7.69	7.07	0.00	

\* Based on 2010 Peer Small Business Data -- US and PR

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

\*\*\* Source Data - Dun and Bradstreet (2011).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: BREMER TWIN CITIES					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share (%) by Geography <sup>*</sup>				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans	% of Farms <sup>***</sup>	% BANK Loans						
<b>Full Review:</b>																
Bremer Mpls/St. Paul MSA AA	4	28.57	0.63	0.00	7.46	0.00	66.88	100.00	25.01	0.00	0.49	0.00	0.00	0.68	0.00	
<b>Limited Review:</b>																
Bremer MN Non-MSA AA	10	71.43	0.00	0.00	2.22	0.00	97.78	100.00	0.00	0.00	4.88	0.00	0.00	4.88	0.00	

<sup>\*</sup> Based on 2010 Peer Small Business Data -- US and PR

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2011).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: BREMER TWIN CITIES					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share <sup>*</sup>				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Bremer Mpls/St. Paul MSA AA	864	95.68	17.05	33.49	18.87	33.61	26.31	15.62	37.77	17.28	0.59	0.82	0.67	0.35	0.50	
<b>Limited Review:</b>																
Bremer MN Non-MSA AA	39	4.32	18.60	10.53	20.17	50.00	26.76	21.05	34.46	18.42	2.84	1.47	4.03	2.38	2.46	

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by bank.

<sup>1</sup> 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		Geography: BREMER TWIN CITIES				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share <sup>*</sup>				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total <sup>**</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>2</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>					
<b>Full Review:</b>															
Bremer Mpls/St. Paul MSA AA	28	93.33	17.05	20.00	18.87	24.00	26.31	24.00	37.77	32.00	0.17	0.20	0.30	0.17	0.07
<b>Limited Review:</b>															
Bremer MN Non-MSA AA	2	6.67	18.60	0.00	20.17	50.00	26.76	50.00	34.46	0.00	2.94	0.00	20.00	0.00	0.00

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 10.0% of loans originated and purchased by bank.

<sup>2</sup> 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		Geography: BREMER TWIN CITIES					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share <sup>*</sup>				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>3</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Bremer Mpls/St. Paul MSA AA	2,407	96.59	17.05	12.95	18.87	25.95	26.31	27.19	37.77	33.90	1.09	1.86	1.42	1.06	0.81	
<b>Limited Review:</b>																
Bremer MN Non-MSA AA	85	3.41	18.60	18.07	20.17	24.10	26.76	24.10	34.46	33.73	3.60	10.20	2.29	2.53	3.83	

<sup>\*</sup> Based on 2010 Peer Mortgage Data (USPR)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 2.8% of loans originated and purchased by bank.

<sup>3</sup> 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		Geography: BREMER TWIN CITIES			Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Bremer Mpls/St. Paul MSA AA	1,992	97.27	68.55	40.61	43.83	24.25	31.93	1.12	0.94
<b>Limited Review:</b>									
Bremer MN Non-MSA AA	56	2.73	76.02	66.07	66.07	21.43	12.50	6.62	8.13

<sup>\*</sup> Based on 2010 Peer Small Business Data -- US and PR

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

<sup>\*\*\*\*</sup> 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 0.39% 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: BREMER TWIN CITIES			Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
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 <sup>1</sup>	
	#	% of Total <sup>2</sup>	% of Farms <sup>3</sup>	% BANK Loans <sup>4</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Bremer Mpls/St. Paul MSA AA	4	28.57	97.17	50.00	50.00	50.00	0.00	0.49	0.33
<b>Limited Review:</b>									
Bremer MN Non-MSA AA	10	71.43	98.89	80.00	90.00	10.00	0.00	4.88	2.78

<sup>1</sup> Based on 2010 Peer Small Business Data -- US and PR

<sup>2</sup> 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.

<sup>3</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2011).

<sup>4</sup> 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 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: BREMER TWIN CITIES									
Evaluation Period: JANUARY 1, 2009 TO JUNE 30, 2012									
Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Bremer Mpls/St. Paul MSA AA	0	0	0	25,732	774	25,732	0.00	0	0
Regional or Statewide	0	0	17	252	17	252	0.96	0	0
<b>Limited Review:</b>									
Bremer MN Non-MSA AA	0	0	8	152	8	152	0.58	0	0

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

<sup>\*\*</sup> '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: BREMER BANK ST PAUL				Evaluation Period: JANUARY 1, 2009 TO JUNE 30, 2012									
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	Upper			Low	Mod	Mid	Upp	Low	Mod	Mid	Upper
<b>Full Review:</b>																	
Bremer Twin Cities MSA AA	95.43	25	89.29	0.00	20.00	52.00	24.00	0	2	0	-1	-1	0	4.72	17.25	52.26	25.70
Bremer Twin Cities Non-MSA AA	4.57	3	10.71	0.00	0.00	100.0	0.00	0	0	0	0	0	0	0.00	7.44	92.56	0.00

