



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

May 09, 2005

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Bremer Bank, National Association
Charter Number 23298**

**302 S.W. 5th Street
Willmar, MN 56201**

**Comptroller of the Currency
Minneapolis North
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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution

Description of Institution

Bremer Bank, National Association (Bremer) has its main office and a grocery store branch located in Willmar, Minnesota. The bank also operates six automated teller machines (ATMs), including two deposit-taking ATMs. Bremer has one assessment area as of the date of this evaluation that consists of Kandiyohi County, Minnesota (AA) in its entirety. The bank also had a branch location in Hutchinson, Minnesota until August 2004. That branch was located in McLeod County, Minnesota (Hutchinson AA). The AAs meet the requirements of the regulation and do not arbitrarily exclude any low- or moderate-income (LMI) areas. For additional information on Bremer's AAs, refer to the Market Profile – Demographic Information Tables in Appendix B.

As of December 31, 2004, Bremer had total assets of \$223 million and held \$16 million in Tier 1 capital. The bank's primary focus is to diversify the portfolio by serving customer's commercial, commercial real estate, agricultural, residential real estate, and consumer needs. As of December 31, 2004, Bremer's \$150 million loan portfolio consisted of 50% commercial loans, 17% residential real estate loans, 14% agricultural loans, 14% consumer loans and 5% other loans.

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

Bremer's performance was rated "Satisfactory" at its last CRA evaluation on July 12, 1999.

Evaluation Period

We evaluated Bremer's small business, small farm, and mortgage data for the period beginning January 1, 1999 through December 31, 2003. The evaluation of this data was completed using two separate analysis periods due to changes in the census data available. Small business, small farm, and mortgage loans originated through 2002 were compared to demographic data based on 1990 census information while loans originated in 2003 were compared to demographic data based on 2000 census information. Small business and small farm loans through 2002 were compared to 2002 peer data and 2003 peer data was used for comparison with the 2003 small business and small farm loans originated.

For community development loans, investments, community development services, and retail services, the evaluation period was July 13, 1999 through December 31, 2004. The bank's branch distribution was compared to demographics based on 2000 census data.

Scope of the Evaluation

Bremer is not required to publicly report data on the home mortgage loans that it originates; however, it gathers HMDA data for internal use. The validity of that data was verified and used to draw conclusions about the bank's home mortgage lending activities.

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

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

Overall CRA Rating

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

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

Performance Levels	Bremer Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	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.

We performed a full-scope review of the Willmar AA and a limited scope review of the Hutchinson AA. The Hutchinson AA includes McLeod County, Minnesota and contained a Bremer branch location until August 2004 when the branch was sold. The Willmar AA accounts for 94% of Bremer's loan originations over the evaluation period and the following analysis was based on this loan data. As of the date of this evaluation, Bremer no longer has a presence in the Hutchinson AA. Based on a limited-scope review, the bank's performance under the Lending Test in the Hutchinson AA is consistent with the bank's overall rating under the Lending Test. Refer to Tables 1 through 12 for the facts and data that support this conclusion.

Due to Bremer's diversified focus, we gave consideration to the three largest lending products. The greatest weight was placed on residential real estate loans which represented 47% of the loans made by the bank during the evaluation period by number and 41% by dollar volume. Of those loans, approximately 72% by number and dollar volume were refinance loans. For analysis purposes, refinance lending activity carried more weight than home purchase lending. During the evaluation period, Bremer did not track or report loans for home improvement purposes. Small business lending is also a large portion of Bremer's lending and was given consideration as small business lending represented 30% of loans by number and 43% by dollar volume. Lesser consideration was given to small farm lending which represented 23% of loans by number and 15% by dollar volume.

For analysis purposes, more weight was applied to lending activity during the 1999 to 2002 evaluation period due to the longer time period. 71% of the loan volume during this evaluation period was completed during this four-year period.

An analysis of the geographic distribution of the loans in the AA is not meaningful, as the AA

does not include any LMI census tracts (CTs). Based on the 1990 census, two CTs in the AA were upper-income and the remaining ten CTs were middle-income. The 2000 census lists one CT in the AA as upper-income with the remaining eleven CTs middle-income.

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

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

Lending

Refer to Table 1 through 15 in Appendix C for facts and data used to evaluate the bank's lending. Tables 3 and 9 are intentionally excluded as information on the home improvement loans is not available. Bremer is not required to publicly report data on the home mortgage loans that it originates and has chosen not to gather data on its home improvement loans.

Lending performance is rated High Satisfactory.

- 81% of Bremer's reportable loans were made inside its assessment area, which represents a majority of loans originated.
- Bremer's lending activity is good. The bank's deposit market share is the strongest within its AA at 36%. Bremer's small business lending market share, of those banks reporting CRA data within the AA, reflects a fourth place market share, with 12% of loans by number and 50% of loans by dollar volume. The three market leaders by number are large financial institutions based outside of the AA. Bremer leads the local bank market competition in small business lending by market share. Bremer's small farm lending market share is the strongest among banks reporting CRA data within the AA at 72% by number and 69% by dollar volume. Because Bremer is not required to report mortgage loan information under the Home Mortgage Disclosure Act (HMDA), market share information on its mortgage lending is not available.
- Bremer's distribution of residential real estate loans to low- and moderate-income individuals during the evaluation period is good.
- Bremer's distribution of refinance loans to borrowers of different income levels is good. 8.14% of refinance loans were made to low-income borrowers in 1999 to 2002 and 8.08% in 2003. These numbers are somewhat lower than the demographics of 16.33% and 15.41%, respectively, but are considered good given the number of families below the poverty level in the AA. 18.11% of Bremer's refinance loans in 1999 to 2002 were made to moderate-income borrowers which exceeds the demographics of 16.76% and is considered excellent. For 2003, 17.68% of Bremer's refinance loans were made to moderate-income borrowers, which is near to the demographics of 18.95% and is considered good.

- Bremer's distribution of home purchase loans to borrowers of different income levels is excellent. 10% of Bremer's purchase loans in 1999 to 2002 were made to low-income borrowers, which is somewhat lower than the AA demographics of 16.33% but considered good given the poverty levels in the AA. 31.33% of Bremer's purchase loans during the same time period were made to moderate-income borrowers, which exceeds the demographics of 16.76%, and is excellent. During 2003, 8.57% of Bremer's purchase loans were to low-income families, which is somewhat lower than the demographics of 15.41% but is considered good. 35.71% of Bremer's purchase loans made in 2003 were made to moderate-income borrowers, which is excellent as it exceeds the AA demographics of 18.95%. The number of loans made to low-income borrowers was affected by the level of families below the poverty level of 9.34% for 1999 to 2002 and 5.86% in 2003.
- Bremer's distribution of small loans to businesses is adequate. Loans to businesses with revenues of \$1 million or less represented 59.14% of the bank's reportable loans in 1999 to 2002 and 48.89% for 2003. This is somewhat lower than the demographics of 71.48% and 66.55%, respectively, and is considered adequate.
- Bremer's distribution of small loans to farms is good. Small loans to farms with revenues of \$1 million or less represented 86.27% of the bank's reportable loans in 1999 to 2002, which is near to the demographics of 95.63% and is considered good. For 2003, the bank's small loans to farms of revenues of less than \$1 million were 73%, which is somewhat lower than the demographics of 92.68% and considered adequate.
- Bremer originated two community development loans totaling \$1.27 million during this evaluation period. Both loans were for affordable housing for low- to moderate-income individuals.

Investments

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

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

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

Bremer's level of qualified investments is good given the bank's capacity and limited investment opportunities. Qualifying investments in the Willmar AA total \$565,460. This represents 3.58% of the bank's Tier 1 capital. In addition, Bremer has investments totaling \$92,000 in the Hutchinson AA representing 0.58% of Tier 1 capital. Bremer also reports \$141,673 of qualifying investments that benefit the broader regional area of greater Minnesota

and have the potential to benefit the AAs. As we were unable to determine the actual effect these broader regional investments had on the AAs, they were given less weight in our analysis.

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

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

Services

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

Performance under the service test is rated High Satisfactory.

- Bremer's service delivery systems are accessible to individuals of different income levels. The bank currently operates two full-service banking offices and six ATMs, two of which are deposit taking. Bremer closed a grocery store branch office during the evaluation period. All assets and liabilities of the Hutchinson branch were sold to a local bank in August 2004. That branch was located in an upper-income CT. The main bank location in Willmar and the Willmar grocery store branch are located in a middle-income CT. Our evaluation of services was based on the 2000 census information, which defines 91.67% of the AA as middle-income CTs and 8.33% as upper income. The Hutchinson AA, where the closed branch was located, contained 42.86% middle-income CTs and 57.14% upper-income CTs.
- Bremer's business hours are reasonable and its services do not vary in a way that inconveniences its AA, particularly low- and moderate-income individuals. Bremer's branch in the Cash Wise grocery store in Willmar has extended hours and is open six days a week which provides an additional convenience for Bremer customers. Bremer offers a wide variety of standard banking products and services to meet the needs of the AA.
- The alternative delivery systems that the bank offers include automated teller machines, Internet banking, and telephone banking. Because Bremer does not maintain information on how the alternative delivery systems impact low- and moderate-income individuals, we did not place significant weight on these systems for this evaluation.
- Bremer's community development services are considered good. Through its services, the bank works on a variety of community development issues:

- Bank employees are involved in providing education to young people about personal financial management, credit card use, and basic banking principles, specifically targeted to at-risk high-school students.
- Bank employees serve on area Boards for organizations that promote small businesses in the area, using their financial expertise to provide advice and feedback to these organizations as they provide opportunities for small businesses. Bremer employees were instrumental in starting the Willmar Area Development Corporation which has been successful in creating numerous jobs in the community.
- Bremer is collaborating with the Otto Bremer Foundation to fund a Nonprofit Resource Specialist position in the Willmar area. This person works with non-profit organizations in Willmar and surrounding communities to provide training, education and career building opportunities. The organizations benefiting from this position are largely comprised of low-income and disadvantaged persons.
- Bremer's community development services also include accounts or services that increase access to financial services for low- and moderate-income individuals. Specifically, they offer free government check cashing for both customers and non-customers.

Fair Lending Review

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

Appendix B: Market Profile - Demographic Information Tables

Willmar Assessment Area

Demographic Information for Full Scope Area: Willmar 1990						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	12	0.00	0.00	83.33	16.67	0.00
Population by Geography	38,761	0.00	0.00	79.68	20.32	0.00
Owner-Occupied Housing by Geography	10,418	0.00	0.00	77.85	22.15	0.00
Business by Geography	3,072	0.00	0.00	81.15	18.85	0.00
Farms by Geography	503	0.00	0.00	80.91	19.09	0.00
Family Distribution by Income Level	10,223	16.33	16.76	25.44	41.48	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,382	0.00	0.00	85.51	14.49	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below Poverty Level		28,933 47,100 14.41%		Median Housing Value Unemployment Rate (1990 US Census)		47,512 2.78%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 US Census and 2001 HUD updated MFI

Demographic Information for Full Scope Area: Willmar 2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	12	0.00	0.00	91.67	8.33	0.00
Population by Geography	41,203	0.00	0.00	88.67	11.33	0.00
Owner-Occupied Housing by Geography	12,026	0.00	0.00	87.72	12.28	0.00
Business by Geography	3,025	0.00	0.00	89.79	10.21	0.00
Farms by Geography	519	0.00	0.00	81.70	18.30	0.00
Family Distribution by Income Level	11,047	15.41	18.95	24.79	40.85	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	3,795	0.00	0.00	92.94	7.06	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below Poverty Level		46,129 47,100 10.13%		Median Housing Value Unemployment Rate (1990 US Census)		86,981 2.52%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 US Census and 2001 HUD updated MFI

Hutchinson Assessment Area

Demographic Information For Limited Scope Area: Hutchinson AA 1990						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	0.00	57.14	42.86	0.00
Population by Geography	32,030	0.00	0.00	52.39	47.61	0.00
Owner-Occupied Housing by Geography	9,093	0.00	0.00	54.49	45.51	0.00
Business by Geography	2,495	0.00	0.00	46.33	53.67	0.00
Farms by Geography	597	0.00	0.00	68.51	31.49	0.00
Family Distribution by Income Level	8,656	11.08	14.02	24.27	50.62	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,173	0.00	0.00	60.01	39.99	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		28,933 48,500 14.41%		Median Housing Value Unemployment Rate (1990 US Census)		47,512 2.78%

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

Source: 1990 US Census and 2002 HUD updated MFI

Demographic Information For Limited Scope Area: Hutchinson AA 2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	0.00	42.86	57.14	0.00
Population by Geography	34,898	0.00	0.00	38.87	61.13	0.00
Owner-Occupied Housing by Geography	10,558	0.00	0.00	39.08	60.92	0.00
Business by Geography	2,481	0.00	0.00	38.69	61.31	0.00
Farms by Geography	569	0.00	0.00	41.83	58.17	0.00
Family Distribution by Income Level	9,457	10.65	15.32	24.80	49.23	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,456	0.00	0.00	42.79	57.21	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		46,129 48,500 10.13%		Median Housing Value Unemployment Rate (1990 US Census)		86,981 2.52%

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

Source: 1990 US Census and 2002 HUD updated MFI

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 MA/assessment area. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- 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. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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 WILLMAR						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003				
Assessment Area:	% 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:												
Bremer Willmar (Loans from 1999-2002)	100.00	539	47,547	394	60,930	306	21,539	1	1,220	1,239	130,016	0.00
Bremer Willmar (Loans from 2003)	100.00	277	29,695	135	18,815	100	6,903	1	50	512	55,413	0.00
Limited Scope Review:												
Hutchinson AA 1999-2002	100.00	46	3,771	27	3,089	2	44	0	0	75	6,904	0.00
Hutchinson AA 2003	100.00	12	1,177	9	1,237	0	0	0	0	21	2,414	0.00

^{*} Loan Data as of December 31, 2002 compared to 1990 Census Data; Loan Data as of December 31, 2003 compared to 2000 Census Data. Rated area refers to Bremer's entire AA.

^{**} The evaluation period for Community Development Loans is from July 12, 1999 to December 31, 2004.

^{***} Deposit Data as of December 31, 2003. Rated Area refers to Bremer's entire AA.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: BREMER WILLMAR					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
Full Review:																
Bremer Willmar																
1999-2002	153	100.00	0.00	0.00	0.00	0.00	77.85	71.24	22.15	28.76	NA	NA	NA	NA	NA	
2003	73	100.00	0.00	0.00	0.00	0.00	87.72	82.19	12.28	17.81	NA	NA	NA	NA	NA	
Limited Scope Review:																
Hutchinson AA																
1999-2002	13	100.00	0.00	0.00	0.00	0.00	54.59	30.77	45.51	69.23	N/A	N/A	N/A	N/A	N/A	
2003	5	100.00	0.00	0.00	0.00	0.00	39.08	60.00	60.92	40.00	N/A	N/A	N/A	N/A	N/A	

* Peer Mortgage Data not available; Bremer is not a HMDA reporter.

** Home purchase loans originated and purchased in the 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 for 1999-2002 loans and based on 2000 Census information for 2003 loans.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: BREMER WILLMAR				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003					Market Share (%) by Geography [†]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Bremer Willmar																
1999-2002	384	100.00	0.00	0.00	0.00	0.00	77.85	65.63	22.15	34.38	NA	NA	NA	NA	NA	
2003	204	100.00	0.00	0.00	0.00	0.00	87.72	74.51	12.28	25.49	NA	NA	NA	NA	NA	
Limited Scope Review:																
Hutchinson AA																
1999-2002	33	100.00	0.00	0.00	0.00	0.00	54.59	30.30	45.51	69.70	N/A	N/A	N/A	N/A	N/A	
2003	7	100.00	0.00	0.00	0.00	0.00	39.08	71.43	60.92	28.57	N/A	N/A	N/A	N/A	N/A	

[†] Peer Mortgage Data not available; Bremer is not a HMDA reporter.

^{**} Home purchase loans originated and purchased in the 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 for 1999-2002 loans and based on 2000 Census information for 2003 loans.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: BREMER WILLMAR					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003					Market Share (%) by Geography [†]				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% of MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans						
Full Review:																
Bremer Willmar																
1999-2002	2	100.00	0.00	0.00	0.00	0.00	94.76	50.00	5.24	50.00	NA	NA	NA	NA	NA	
2003	0	0.00	0.00	0.00	0.00	0.00	99.39	0.00	0.61	0.00	NA	NA	NA	NA	NA	
Limited Scope Review:																
Hutchinson AA																
1999-2002	0	0.00	0.00	0.00	0.00	0.00	30.56	0.00	69.44	0.00	N/A	N/A	N/A	N/A	N/A	
2003	0	0.00	0.00	0.00	0.00	0.00	48.69	0.00	51.31	0.00	N/A	N/A	N/A	N/A	N/A	

[†] Peer Mortgage Data not available; Bremer is not a HMDA reporter.

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

^{***} Percentage of Multi Family Unites is the number of multi-family units in a particular geography divided by the number of multi-family housing units in the area based on 1990 Census information for 1999-2002 loans and 2000 Census information for 2003 loans.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: BREMER WILLMAR						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003							
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:															
Bremer Willmar															
1999-2002	394	100.00	0.00	0.00	0.00	0.00	81.15	65.23	18.85	34.77	12.58	0.00	0.00	11.94	20.69
2003	135	100.00	0.00	0.00	0.00	0.00	89.79	90.37	10.21	9.63	11.68	0.00	0.00	13.62	9.35
Limited Scope Review:															
Hutchinson AA															
1999-2002	27	100.00	0.00	0.00	0.00	0.00	46.33	25.93	53.67	74.07	.90	0.00	0.00	.32	1.36
2003	9	100.00	0.00	0.00	0.00	0.00	38.69	100.00	61.31	0.00	1.01	0.00	0.00	3.10	0.00

* Based on 2002 Peer Small Business Data for loans from 1999-2002; 2003 Peer Small Business Data for loans from 2003.

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

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: BREMER WILLMAR										Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003				
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:																
Bremer Willmar																
1999-2002	306	100.00	0.00	0.00	0.00	0.00	80.91	72.55	19.09	27.45	72.58	0.00	0.00	70.00	90.91	
2003	100	100.00	0.00	0.00	0.00	0.00	81.70	65.00	18.30	35.00	71.94	0.00	0.00	67.01	83.33	
Limited Scope Review:																
Hutchinson AA																
1999-2002	2	100.00	0.00	0.00	0.00	0.00	68.51	100.00	31.49	0.00	0.00	0.00	0.00	0.00	0.00	
2003	0	0.00	0.00	0.00	0.00	0.00	41.83	0.00	58.17	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2002 Peer Small Business Data for loans from 1999-2002; 2003 Peer Small Business Data for loans from 2003.

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

*** Source Data - Dun and Bradstreet (2003).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: BREMER WILLMAR				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over-all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families ***	% BANK Loans****	% Families**	% BANK Loans****	% Families ***	% BANK Loans****	% Families ***	% BANK Loans****						
Full Review:																
Bremer Willmar																
1999-2002	153	100.00	16.33	10.00	16.76	31.33	25.44	25.33	41.48	33.33	NA	NA	NA	NA	NA	
2003	73	100.00	15.41	8.57	18.95	35.71	24.79	17.14	40.85	38.57	NA	NA	NA	NA	NA	
Limited Scope Review:																
Hutchinson AA																
1999-2002	13	100.00	11.08	0.00	14.02	7.69	24.47	46.14	50.62	46.15	N/A	N/A	N/A	N/A	N/A	
2003	5	100.00	10.65	0.00	15.32	50.00	24.80	50.00	49.23	0.00	N/A	N/A	N/A	N/A	N/A	

* Peer Mortgage Data not available; Bremer is not a HMDA reporter.

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

*** Percentage of Families is based on 1990 Census information for 1999-2002 loans and based on 2000 Census information for 2003 loans.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: BREMER WILLMAR								Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over-all	Low	Mod	Mid	Upp
Full Review:															
Bremer Willmar															
1999-2002	384	100.00	16.33	8.14	16.76	18.11	25.44	33.33	41.48	40.42	NA	NA	NA	NA	NA
2003	204	100.00	15.41	8.08	18.95	17.68	24.79	31.82	40.85	42.42	NA	NA	NA	NA	NA
Limited Scope Review:															
Hutchinson AA															
1999-2002	33	100.00	11.08	0.00	14.02	27.27	24.27	24.24	50.62	48.48	N/A	N/A	N/A	N/A	N/A
2003	7	100.00	10.65	0.00	15.32	42.86	24.80	42.86	49.23	14.29	N/A	N/A	N/A	N/A	N/A

* Peer Mortgage Data not available; Bremer is not a HMDA reporter.

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

*** Percentage of Families is based on the 1990 Census information for loans in 1999-2002 and based on 2000 Census information for loans in 2003.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: BREMER WILLMAR			Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Bremer Willmar									
1999-2002	394	100.00	71.48	59.14	64.72	16.50	18.78	12.58	19.93
2003	135	100.00	66.55	48.89	60.00	25.19	14.81	11.68	15.79
Limited Scope Review:									
Hutchinson AA									
1999-2002	27	100.00	75.59	70.37	59.26	25.93	14.81	.90	1.51
2003	9	100.00	67.55	77.78	55.56	33.33	11.11	1.01	

* Based on 2002 Peer Small Business Data for loans from 1999-2002; 2003 Peer Small Business Data for loans from 2003.

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

*** Source Data - Dun and 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 1999-2002 for 3.30% of small loans to businesses originated and purchased by the bank or for 8.15% of small loans to businesses originated and purchased in 2003.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: BREMER WILLMAR		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2003		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Bremer Willmar									
1999-2002	306	100.00	95.63	86.27	80.39	13.07	6.54	72.58	68.27
2003	100	100.00	92.68	73.00	85.00	9.00	6.00	71.94	70.19
Limited Scope Review:									
Hutchinson AA									
1999-2002	2	100.00	96.48	50.00	100.00	0.00	0.00	0.00	0.00
2003	0	0.00	96.49	0.00	0.00	0.00	0.00	0.00	0.00

^{*} Based on 2002 Peer Small Business Data: US for loans from 1999-2002; based on 2003 Peer Small Business Data for loans from 2003.

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

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 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 1999-2002 for 7.19% of small loans to farms originated and purchased by the bank or for 21.00% of small loans to farms originated and purchased in 2003.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: BREMER WILLMAR				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2004			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Willmar AA	0	0	30	565	30	565	68.99%	0	0
Limited Review:									
Hutchinson AA	0	0	6	92	6	92	11.23%	0	0
Regional and/or statewide	0	0	24	142	24	142	17.34%	0	0
Out of AA and region	0	0	1	20	1	20	2.44%	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 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: BREMER WILLMAR Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2004																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Bremer Willmar	100%	2	100%	NA	NA	100%	0%	0	0	NA	NA	0	0	NA	NA	88.67	11.33
Bremer Hutchinson		0	0%	NA	NA	N/A	N/A	0	1	NA	NA	0	-1	NA	NA	38.87	61.13

* Income of geographies is based on 2000 Census information; Branch data as of December 31, 2004.
