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Comptroller of the Currency  
Administrator of National Banks

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250 E Street  
Washington, DC 20219

November 11, 2010

**Corporate Decision #2010-30  
December 2010**

Mr. Stuart F. Bradt  
Controller  
Bremer Financial Corporation  
8555 Eagle Point Boulevard  
Lake Elmo, Minnesota 55042

Re: Branch Application by Bremer Bank, National Association, Willmar, Minnesota  
CAIS Control Number: 2010-CE-05-104

Dear Mr. Bradt:

The Office of the Comptroller of the Currency (“OCC”) hereby approves the application of Bremer Bank, National Association (“Applicant” or “Bank”), to establish a branch at 1290 Raintree Road, Mankato, Blue Earth County, Minnesota 56002. This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the bank’s representatives. This letter also is the OCC’s authorization to establish **Branch No. 148956A**.

#### **Legal issue and public comments**

Under 12 U.S.C. § 36(c), national banks may establish intrastate branches to the same extent that state statutory law authorizes state banks to establish intrastate branches. Consequently, in approving an intrastate branch in Minnesota, the OCC applies the statutory standards applicable to establishment of branches by Minnesota state banks as set forth in Minn. Stat. § 47.52(a) and (b) and § 47.54 subd. 2, relating to location, capital adequacy, management, asset condition, increase or improvement of banking services in the community, and whether establishment of the proposed branch will have “an undue adverse effect upon the solvency of existing financial institutions in the community.” The proposed branch meets all evaluative factors under 12 CFR § 5.30, and satisfies each of the state law requirements and standards applied to national banks under 12 U.S.C. §36(c).

The OCC received two comment letters from Northern Star Bank, Mankato, Minnesota (“commenting bank”), which opposed approval of the proposed branch. In the letters, commenting bank contended that the presence of the proposed branch in the marketplace, when coupled with existing competitors, would present “a crippling threat to [the commenting bank]

and to other area community banks.” Commenting bank cited, among other things, the number of competitors and banking offices in the market, population figures, unemployment levels, changes in the deposit base, assets and earnings, and provided financial information concerning depository institutions in the marketplace, including with respect to deposit and lending activity of specific depository institutions. Commenting bank then concludes that the presence of the Bremer branch “would cause economic harm to existing financial institutions”<sup>1</sup> and that “Bremer has failed to demonstrate that . . . Bremer’s presence in the marketplace will not cause adverse economic harm to banks currently operating in the marketplace.”<sup>2</sup> The OCC has fully and thoroughly examined commenting bank’s contentions, including all documentation provided, and the documentation provided by the Applicant in response, including its projections for the branch, and concluded that, even if the addition of a new competitor in the market place might cause some economic harm to existing financial institutions, commenting bank has failed to demonstrate that that runs afoul of the statutory standard requiring denial if the branch would have an “undue adverse effect upon the solvency of existing financial institutions in the community to be served.”

### **Request for a Public Hearing**

Commenting bank also requested that the OCC conduct a public hearing prior to approving the proposed branch application. The general standard the OCC applies to determine whether to hold a public hearing is contained in 12 C.F.R. § 5.11(b), which provides:

The OCC generally grants a hearing request only if the OCC determines that written submissions would be insufficient or that a hearing would otherwise benefit the decisionmaking process. The OCC also may order a hearing if it concludes that a hearing would be in the public interest.

After careful consideration, the OCC determined not to hold a public hearing. The OCC is not aware of any reason why written submissions were not sufficient or that a hearing would otherwise benefit the decision making process or be in the public interest. In sum, our review of the record of the application, including the materials submitted with the application, public comment, responses to the public comment, representations of the applicant, and our review of supervisory materials, has not revealed any information inconsistent with approval.

### **Other requirements**

If the branch is not opened within 18 months from this approval date, the approval automatically terminates, unless the OCC grants an extension.

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<sup>1</sup> Letter by Thomas Stienessen, President & Chief Executive Officer, Northern Star Bank, to Central District Licensing Director (August 26, 2010).

<sup>2</sup> Letter by Mr. Stienessen to Central District Licensing Director (September 28, 2010).

Bremer National Association  
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If the branch is closed, a 90-day advance notice of proposed branch closing must be submitted to the OCC pursuant to 12 USC 1831r-1. Following the expiration of the 90-day notification period, this authorization is no longer valid.

Within 10 days of opening, the bank must advise this office in writing of the branch's opening date, so the OCC may complete its records. Please reference the CAIS Control Number in your letter.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions, please contact Assistant Applications Examiner Connie Arrington at (312) 360-8851.

Sincerely,

*signed*

Beverly L. Evans  
Director for Licensing Activities