

1) Why is Otto Bremer Trust attempting to sell its stake in Bremer Financial Corporation?

MYTH: Otto Bremer Trust

The Otto Bremer Trust (OBT) needs to sell Bremer Financial Corporation (BFC) to fulfill legal requirements to distribute at least 5 percent of the market value of OBT's assets each year, and BFC cannot generate sufficient dividends to meet those disbursement requirements going forward.

FACT: Bremer Financial Corporation

BFC has reliably served as the successful economic engine for OBT, paying the trust more than \$750 million in dividends since 1989 and providing a 12 percent average annual return on OBT's investment. OBT has held its BFC shares for decades and has never been unable to meet its disbursement requirements.

BFC paid OBT more than \$70 million in dividends in 2018 and has capacity to pay dividends in 2019 that will meet OBT's purported disbursement requirements.

OBT's claim that required distributions must increase substantially as a result of market value changes is unfounded. There have been no new developments that would justify, much less require, the outsized market value changes claimed by OBT. The OBT trustees want to sell BFC for their own reasons and are citing legal requirements as a pretext.

Tellingly, the OBT trustees have refused to seriously consider BFC's ability to meet increased dividend requirements or to find alternatives to meet OBT's purported disbursement requirements, including by selling OBT assets other than BFC shares.

2) Can BFC succeed as an independent bank?

MYTH: Otto Bremer Trust

Because of changes in the financial services industry, it is daunting for an independent regional bank to succeed.

FACT: Bremer Financial Corporation

Bremer Bank is a solid financial performer, reporting record dividends in 2018 and strong returns in 2019.

Regional banks that have differentiated strategies and long-term customer relationships, like BFC, are well-positioned in today's market.

BFC's financial footing is strong, its short- and long-term customer-facing strategies are aligned for growth, and its customer relationships and deep community ties are unique and give it significant competitive advantages, even against larger players.

3) Will this sale process put jobs at risk?

MYTH: Otto Bremer Trust

BFC continuing as an independent bank would place jobs at risk due to what OBT calls “industry headwinds.”

FACT: Bremer Financial Corporation

The forced sale of BFC to a larger institution has potential to result in significant job loss. Acquirors typically seek to derive value not only by increasing revenues, but by cutting costs, including by closing branches and reducing duplicative corporate and support functions.

BFC employs more than 1,600 employees in Minnesota, North Dakota and Wisconsin, including in many of the rural communities where Otto Bremer himself originally established branches, serving families, farmers and businesses in places often unserved by larger banks. A forced sale could put jobs at risk, particularly in these rural communities.

BFC is well-positioned to take advantage of market opportunities and industry trends as a result of its differentiated strategy, focus on key customer segments, commitment to digital innovation and long-term customer relationships. BFC has outperformed during previous downturns in the banking sector, including during the Great Recession. Having survived and thrived in the face of “industry headwinds” for 75 years, BFC fully expects to continue to do in the future, and to continue to be a key employer in communities throughout Minnesota, North Dakota and Wisconsin.

4) Will a sale benefit Bremer’s customers and the community?

MYTH: Otto Bremer Trust

A sale would result in additional immediate proceeds for OBT, which would result in additional benefits to communities.

FACT: Bremer Financial Corporation

BFC’s support of OBT is unparalleled. Since 1989, BFC has paid the trust more than \$750 million in dividends, generating an average annual return of 12% on OBT’s most significant assets. For decades, BFC’s strong financial performance has been the key driver behind OBT’s charitable giving.

Selling BFC could potentially increase OBT’s liquid assets in the short term, but it would deprive OBT of the stable cashflows provided that BFC has provided year over year.

Communities will be better served with BFC remaining independent and consistently providing cash to OBT on an annual basis. The dividends BFC pays to OBT will be a better source of support for communities over the long-term than any upfront cash OBT might generate in a sale of BFC.

For generations, Bremer Bank has been proud to partner with the people who grow our food, strengthen our economies and serve our neighbors. We are proud to continue that work today,

offering financial services throughout our three-state footprint, often in rural communities. Bremer Bank's lending activities drive economic growth and provide essential access to capital for farmers, small businesses and non-profit entities. A sale of BFC would deprive communities of these substantial benefits of an independent Bremer Bank.

5) Did Bremer's management want to merge with another company?

MYTH: Otto Bremer Trust

Bremer's Board and management actively pursued a merger with another company within the past year.

FACT: Bremer Financial Corporation

Proposals to discuss merger and acquisition opportunities are part of the normal course of business in virtually every industry, including banking. In April 2019, Bremer executive management was approached by another regional bank with a request to discuss Bremer's interest in a merger. Bremer executive management promptly informed the Board of this overture. Consistent with management's and the Board's fiduciary duties, and at the direction of and with the full knowledge of the Board, executive management engaged in preliminary discussions with the potential counterparty to understand the proposal. The discussions ended in June 2019 without any definitive proposals by either side.

6) Will a sale be beneficial for employees?

MYTH: Otto Bremer Trust

A sale would result in financial and career benefits for Bremer employees.

FACT: Bremer Bank employees

A number of Bremer Bank employees feel so strongly that the trustees' actions have been harmful and could result in further harm that they filed a class action lawsuit to stop the trustees' actions.