



FOR IMMEDIATE RELEASE

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## **Otto Bremer Trust to Explore Strategic Options for Bremer Financial Corporation**

SAINT PAUL, October 28, 2019—The Trustees of the Otto Bremer Trust (OBT), the majority shareholder of Bremer Financial Corporation (BFC) and one of the Midwest’s largest philanthropic organizations with more than \$700 million in grants and program-related investments since its founding, announced today that they have commenced a process to explore strategic options for BFC.

“This is not a decision we made lightly or without exploring every other approach,” said Daniel Reardon, Co-CEO and Trustee, “but we believe it is necessary to fulfill our legal obligations and is in the best interests of the individuals and communities that OBT serves. A successful transaction would enable an incredibly significant increase in OBT’s philanthropy and allow us to expand our work in Minnesota, North Dakota, Wisconsin and Montana. We also believe a strategic combination with a larger financial institution will strengthen BFC’s ability to serve its customers and will provide good jobs and careers.”

Brian Lipschultz, Co-CEO and Trustee, explained:

“Because of the changes in the financial services industry, it can be daunting for a stand-alone regional bank to succeed. Through this initiative, BFC can be part of a stronger banking organization that better serves its customers and successfully competes for new ones.

“We have tried for months to work with BFC’s other board members on a collaborative path forward, but this has not proved possible. To resolve this impasse, we have sold approximately seven percent of BFC’s common stock to a number of investors in separate, independent transactions. In addition, we have called for a special meeting of BFC’s shareholders to seat a new board to begin a meaningful exploration of BFC’s strategic options, including a potential sale or merger.”

Charlotte Johnson, Co-CEO and Trustee, added:

“BFC is much-admired because of its outstanding employees, its quality of service and its commitment to its communities. We believe the right strategic partner will recognize and value those strengths. The opportunities for and the welfare of BFC employees will be critical elements in this process.”

Lipschultz also noted that BFC’s minority shareholders—including employees of BFC and Bremer Bank who own approximately eight percent of BFC’s stock directly, through an ESOP or a 401(k) retirement program—will similarly benefit from a strategic transaction.

“We are confident,” Lipschultz said, “that this process best serves the customers, employees and shareholders of BFC and enables OBT to fulfill the commitment of our founder, Otto Bremer, to benefit our communities.”

Reardon said that the Trust will post updates on this topic to its web site, [ottobremer.org](http://ottobremer.org), consistent with its legal and contractual obligations. “We know this matter is of interest to many people and we will share as much information as the law and our responsibilities allow.”

### **About the Otto Bremer Trust**

The Otto Bremer Trust is a bank holding company and a private charitable trust based in Saint Paul, Minnesota that works at the intersection of finance and philanthropy. OBT is the 86-percent owner of Bremer Financial Corporation, a regional financial services company, and also manages a diversified investment portfolio. Since its founding, OBT has invested more than \$700 million in people, places, and opportunities in the Upper Midwest.

### **Disclaimer**

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