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BREMER REPORTS FIRST QUARTER 2008 EARNINGS

St. Paul, Minn. (April 29, 2008) — Bremer Financial Corporation reported net income of \$16.9 million for the three months ended March 31, 2008, unchanged from the \$16.9 million earned for the three months ended March 31, 2007. Return on average equity for the first quarter of 2008 was 10.6% compared to 11.6% for the first quarter of 2007, while return on average assets decreased to 0.94% in the first quarter of 2008 from 1.02% in the first quarter of 2007.

Net interest income for the first quarter of 2008 was \$62.4 million, an increase of \$6.4 million or 11.4% from the \$56.0 million reported for the same period a year ago. Our net interest margin increased 11 basis points to 3.86% for the quarter ended March 31, 2008, compared to 3.75% for the quarter ended March 31, 2007, primarily as a result of lower interest expense on deposits and short-term borrowings.

“Turmoil seems to be the term used most frequently to describe today’s financial markets,” said **Stan Dardis, CEO**. “In spite of what’s going on around us, Bremer seems to be faring better than many. Our ability to stay ahead of a majority of our ‘peer group’ – the 95 bank holding companies with assets between \$3 billion and \$10 billion – is the result of everything from strong core deposits to excellent expense management. Our ability to ‘focus on the basics’ is another strength of Bremer, in both urban and rural markets. That means staying close to clients, both retail and commercial, who are going through difficult times. Helping clients survive and thrive – in even the most challenging times – is a trademark of our organization and reflects the commitment of our founder, Otto Bremer.”

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Nonperforming assets were \$51.4 million at March 31, 2008 compared to \$40.6 million at December 31, 2007 and \$26.9 million at March 31, 2007. Correspondingly, the ratio of nonperforming assets to total loans, leases and other real estate owned (OREO) increased to 0.96% at March 31, 2008 from 0.77% at December 31, 2007 and 0.54% at March 31, 2007.

Net charge-offs in the first quarter of 2008 were \$3.3 million, compared to \$1.6 million in the first quarter of 2007. We recorded a provision for loan losses of \$8.2 million in the first quarter of 2008 compared to \$2.9 million in the first quarter of 2007. As a result, our ratio of allowance for loan losses to total loans and leases increased to 1.28% at March 31, 2008, compared to 1.20% at December 31, 2007 and 1.19% at March 31, 2007.

Bremer Financial Corporation is a privately-held, \$7.5 billion regional financial services company jointly owned by its employees and the Otto Bremer Foundation. Founded in 1943 by Otto Bremer, the company is headquartered in St. Paul, Minnesota and provides a comprehensive range of banking, investment, trust and insurance services to over 100 locations in Minnesota, North Dakota and Wisconsin. Company profits are distributed in the form of charitable grants by the Otto Bremer Foundation to communities served by Bremer.

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BREMER FINANCIAL CORPORATION AND SUBSIDIARIES
FINANCIAL HIGHLIGHTS
(dollars in thousands, except per share amounts)

	Three months ended March 31,						
	2008	2007	Change				
Operating Results:							
Total interest income	\$ 110,487	\$ 110,674	(0.2)	%			
Total interest expense	48,098	54,682	(12.0)				
Net interest income	62,389	55,992	11.4				
Provision for loan losses	8,523	2,899	194.0				
Net interest income after provision for loan losses	53,866	53,093	1.5				
Noninterest income	22,760	21,797	4.4				
Noninterest expense	51,552	49,333	4.5				
Income before income tax expense	25,074	25,557	(1.9)				
Income tax expense	8,169	8,613	(5.2)				
Net income	\$ 16,905	\$ 16,944	(0.2)	%			
Net income per share - basic and diluted	\$ 1.41	\$ 1.41	(0.2)	%			
Dividends paid per share	0.62	0.62	-				
Tax equivalent net interest income	\$ 65,519	\$ 58,890	11.3	%			
Net charge-offs	3,342	1,562	114.0				
Selected Financial Ratios:							
Return on average assets	0.94 %	1.02 %	(0.08)				
Return on average equity (1)	10.6	11.6	(1.0)				
Average equity to average assets (1)	8.91	8.78	0.13				
Net interest margin (2)	3.86	3.75	0.11				
Operating efficiency ratio (3)	58.4	61.1	(2.7)				
Net charge-offs to average loans and leases	0.25	0.13	0.12				
	March 31,	March 31,		December 31,	Change		
	2008	2007		2007			
Balance Sheet Data:							
Total assets	\$ 7,468,162	\$ 6,833,306	9.3	%	\$ 7,249,650	3.0	%
Securities (4)	1,652,325	1,403,001	17.8		1,478,774	11.7	
Loans and leases (5)	5,356,527	4,977,652	7.6		5,290,434	1.2	
Total deposits	5,155,139	4,974,391	3.6		5,295,458	(2.6)	
Short-term borrowings	1,111,006	791,173	40.4		850,082	30.7	
Long-term debt	465,474	393,546	18.3		390,484	19.2	
Redeemable class A common stock	52,291	47,850	9.3		50,678	3.2	
Shareholders' equity	601,345	550,280	9.3		582,802	3.2	
Per share book value of common stock	54.47	49.84	9.3		52.79	3.2	
Asset Quality:							
Allowance for loan losses	\$ 68,715	\$ 59,067	16.3	%	\$ 63,534	8.2	%
Nonperforming assets	51,419	26,877	91.3		40,619	26.6	
Nonperforming assets to total loans, leases and OREO	0.96 %	0.54 %	0.42		0.77 %	0.19	
Allowance for loan losses to total loans and leases	1.28	1.19	0.09		1.20	0.08	

- (1) Calculation includes shareholders' equity and redeemable class A common stock.
(2) Tax-equivalent basis (TEB).
(3) Noninterest expense as a percentage of tax-equivalent net interest income and noninterest income.
(4) Includes securities held-to-maturity and securities available-for-sale.
(5) Net of unearned discount and includes nonaccrual loans and leases.

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BREMER FINANCIAL CORPORATION AND SUBSIDIARIES
SUMMARY BALANCE SHEET AND INCOME STATEMENT
(dollars in thousands)

	Three months ended March 31,			
	2008		2007	
	Average Balance	Average Rate/ Yield (1)	Average Balance	Average Rate/ Yield (1)
Summary Average Balance Sheet:				
Total loans and leases (2)	\$5,276,964	7.09 %	\$ 4,932,868	7.81 %
Total securities (3)	1,519,667	5.39	1,407,358	5.21
Total other earning assets	27,242	2.83	33,913	5.94
Total interest earning assets (4)	<u>\$6,823,873</u>	6.70 %	<u>\$ 6,374,139</u>	7.23 %
Total noninterest earning assets	397,429		374,198	
Total assets	<u>\$7,221,302</u>		<u>\$ 6,748,337</u>	
Noninterest bearing deposits	\$ 740,657		\$ 737,692	
Interest bearing deposits	4,440,964	3.25 %	4,239,135	3.94 %
Short-term borrowings	912,153	3.00	748,180	4.72
Long-term debt	393,835	5.51	344,940	5.60
Total interest bearing liabilities	<u>\$5,746,952</u>	3.37 %	<u>\$ 5,332,255</u>	4.16 %
Other noninterest bearing liabilities	90,135		86,200	
Redeemable class A common stock	51,485		47,375	
Shareholders' equity	592,073		544,815	
Total liabilities and equity	<u>\$7,221,302</u>		<u>\$ 6,748,337</u>	
	Three months ended March 31,			
	2008	2007	\$ Change	% Change
Summary Income Statement:				
Total interest income	\$ 110,487	\$110,674	\$ (187)	(0.2) %
Total interest expense	48,098	54,682	(6,584)	(12.0)
Net interest income	62,389	55,992	6,397	11.4
Provision for loan losses	8,523	2,899	5,624	194.0
Net interest income after provision for loan losses	53,866	53,093	773	1.5
Service charges	9,232	8,202	1,030	12.6
Insurance	3,213	3,301	(88)	(2.7)
Investment management and trust fees	3,246	3,160	86	2.7
Brokerage	1,763	1,797	(34)	(1.9)
Gain on sale of loans	2,326	3,186	(860)	(27.0)
Gain on sale of securities	295	-	295	NM
Other	2,685	2,151	534	24.8
Total noninterest income	22,760	21,797	963	4.4
Salaries and wages	25,183	23,802	1,381	5.8
Employee benefits	7,397	7,182	215	3.0
Occupancy	3,606	3,298	308	9.3
Furniture and equipment	3,304	3,138	166	5.3
Data processing fees	2,708	2,920	(212)	(7.3)
FDIC premiums and examination fees	803	507	296	58.4
Amortization of intangibles	536	573	(37)	(6.5)
Other	8,015	7,913	102	1.3
Total noninterest expense	51,552	49,333	2,219	4.5
Income before income tax expense	25,074	25,557	(483)	(1.9)
Income tax expense	8,169	8,613	(444)	(5.2)
Net income	<u>\$ 16,905</u>	<u>\$ 16,944</u>	<u>\$ (39)</u>	(0.2) %

- (1) Calculation is based on interest income including \$3,130 and \$2,898 for the three months ended March 31, 2008 and March 31, 2007 to adjust to a fully taxable basis using the federal statutory rate of 35%.
- (2) Net of unearned discount and includes nonaccrual loans and leases.
- (3) Excluding net unrealized gain (loss) on securities available-for-sale.
- (4) Before deducting the allowance for loan losses.