FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements about Alerus Financial Corporation. Forward-looking statements are neither historical facts nor assurances about future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy, and other future conditions. Forward-looking statements can be identified by words such as: “intend,” “plan,” “believe,” “estimate,” “expect,” “strategy,” “future,” “may,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our projected growth, anticipated future financial performance, financial condition, credit quality and management’s long-term performance goals and the future plans and prospects of Alerus Financial Corporation.

Forward-looking statements involve inherent risks and uncertainties that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: business and economic conditions nationally and in our target markets; our need to maintain sufficient capital to satisfy minimum regulatory requirements and for growth purposes; changes and volatility in interest rates; our ability to execute our business strategy; deterioration in the credit quality of our loan portfolio or in the value of the collateral securing those loans; deterioration in the value of securities held in our investment securities portfolio; effects of recently enacted and future legislation and regulation; competition in the banking, wealth management and mortgage industries; declines in mortgage originations or profitability due to rising interest rates and increased competition and regulation; reductions in the market value of wealth management assets under administration; increasing occurrences of cyber-attacks, hacks and identity theft; failure to keep pace with technological change or difficulties when implementing new technologies; changes in customer behavior and preferences; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; and management’s ability to effectively manage credit risk, residual value risk, market risk, operational risk, interest rate risk, liquidity risk and cybersecurity.

Forward-looking statements speak only as of the date they are made, and Alerus Financial Corporation undertakes no obligation to update them in light of new information or future events.

Non-GAAP Financial Measures
This presentation includes certain ratios and amounts that do not conform to U.S. Generally Accepted Accounting Principles, or GAAP. Management uses certain non-GAAP financial measures to evaluate financial performance and business trends from period to period and believes that disclosure of these non-GAAP financial measures will help investors, rating agencies and analysts evaluate the financial performance and condition of Alerus Financial Corporation. This presentation includes a reconciliation of each non-GAAP financial measure to the most comparable GAAP equivalent.

Business Line Information
Alerus Financial Corporation operates four principal business lines: banking; mortgage; retirement and benefits; and wealth management. This presentation includes separate operating results and other financial information for each business line. The business line information was prepared by management and has not been audited by our independent accounting firm. Accordingly, you should review such information only in conjunction with a review of the audited, consolidated financial statements included in our most recent annual report.
COMPANY OVERVIEW
DIVERSIFIED FINANCIAL SERVICES COMPANY
- $2.1 billion banking assets
- $4.6 billion assets under management
- $27.6 billion assets under administration
- $148 million year-to-date mortgage originations

ALERUS BUSINESS LINES
- Banking
- Mortgage
- Retirement and Benefits
- Wealth Management

OUR MISSION
- To always act in the best interest of our clients by providing innovative and comprehensive financial solutions that are delivered through a relationship-oriented single point of contact and supported by client-friendly technology.
FRANCHISE FOOTPRINT

MARKET PRESENCE:
BANKING AND WEALTH MANAGEMENT

Grand Forks, ND
- 5 full-service banking and wealth management offices
Fargo, ND
- 3 full-service banking and wealth management offices
Twin Cities, MN
- 6 full-service banking and wealth management offices
- 2 residential mortgage offices
Duluth, MN
- 2 full-service banking and wealth management offices
Scottsdale, AZ
- 1 full-service banking and wealth management office

MARKET PRESENCE:
RETIREMENT SERVICES

- 2 retirement and benefits offices in Minnesota
- 2 retirement and benefits offices in Michigan
- 1 retirement and benefits office in New Hampshire
- Serve customers in all 50 states through retirement plan services

CUSTOMER BASE

- 45,939 individual customers
- 11,261 businesses
- 6,593 employer-sponsored retirement plans
- 358,481 employer-sponsored retirement plan participants

Data as of 3/31/2018.
MARKET DISTRIBUTION
STRONG GROWTH MARKETS AND STABLE CORE FUNDING
(IN MILLIONS)

LOANS* ($1,638)

- Twin Cities, MN, 48.6%
- Grand Forks, ND, 19.5%
- Scottsdale, AZ, 9.4%
- Fargo, ND, 19.3%
- Other, 0.6%
- Duluth, MN, 2.6%

DEPOSITS ($1,820)

- Twin Cities, MN, 38.4%
- Grand Forks, ND, 28.4%
- Fargo, ND, 21.2%
- Scottsdale, AZ, 4.2%
- Duluth, MN, 1.7%
- National, 6.1%
- Other, 0.6%

MORTGAGE ORIGINATIONS ($148)

- Twin Cities, MN, 89.2%
- Grand Forks, ND, 4.1%
- Scottsdale, AZ, 2.6%
- Fargo, ND, 3.8%
- Other, 0.3%

ASSETS UNDER MGMT. ($4,566)

- Twin Cities, MN, 7.5%
- Grand Forks, ND, 43.1%
- Fargo, ND, 31.0%
- National, 15.8%
- Other, 2.6%

ASSETS UNDER ADMIN. ($27,606)

- Twin Cities, MN, 14.0%
- Grand Forks, ND, 4.7%
- Fargo, ND, 3.9%
- National, 76.9%
- Other, 0.6%

* Excludes loans held for sale. Data as of 3/31/2018.
DIVERSIFIED REVENUE STREAM
FULL YEAR 2017

Source: SNL Financial, Data as of 12/31/2017.

1 All U.S. Depository Institutions between $1B and $10B in Banking Assets and non-interest income as a percentage of total revenue equal to or greater than 30%.
VALUATION PREMIUM
HIGH QUALITY EARNINGS MERIT A PRICE PREMIUM

PRICE / TANGIBLE BOOK VALUE

STOCKHOLDER RETURNS
WE’RE HERE FOR THE LONG TERM

DIVIDENDS (SINCE 1980)
- Dividend Payout Ratio: 30.6%
- Dividend Increase per Year: 9.02%

TOTAL RETURN (THROUGH 3/31/18)
- YTD Return: 16.15%
- 5-Year Return: 131.98%
- 10-Year Return: 202.97%

HISTORY OF CONTINUOUS DIVIDENDS

HISTORICAL STOCK PERFORMANCE

2017 TOTAL RETURN

- ALRS = 20%
- S&P 500 = 21%
- S&P 500 Diversified Banks = 22%

5-YEAR TOTAL RETURN

- ALRS = 132%
- S&P 500 = 87%
- S&P 500 Diversified Banks = 114%

10-YEAR TOTAL RETURN

- ALRS = 203%
- S&P 500 = 147%
- SNL U.S. Bank = 67%

TOTAL RETURN SINCE 2000

- ALRS = 785%
- S&P 500 = 156%
- SNL U.S. Bank = 131%

HISTORY OF ACQUISITION EXECUTION

CUMULATIVE ACQUISITION SUMMARY, BY BUSINESS TYPE

- Banking
- Mortgage
- Retirement and Benefits
- Wealth Management

- 1985: ESOP created
- 1986: Rebranded to Alerus
- 1987: 1987
- 1989: 1989
- 2000: 2000
- 2002: 2002
- 2003: 2003
- 2006: 2006
- 2009: 2009
- 2011: 2011
- 2012: 2012
- 2013: 2013
- 2014: 2014
- 2015: 2015
- 2016: 2016

1997: Historic flood & fire of Grand Forks

2003: Retirement and Benefits Acquisition – the catalyst to the Retirement Division

2009: AZ expansion

2012: MI expansion

2012: NH expansion
FINANCIAL OVERVIEW
KEY BUSINESS DRIVERS
($ IN THOUSANDS)

ON-BALANCE SHEET
- Total Gross Loans
- Total Deposits

OFF-BALANCE SHEET
- AUA
- AUM

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$1,487,732</td>
<td>$1,744,863</td>
<td>$2,050,579</td>
<td>$2,137,058</td>
<td>$2,089,604</td>
</tr>
<tr>
<td>Total Gross Loans</td>
<td>$1,130,500</td>
<td>$1,175,563</td>
<td>$1,402,015</td>
<td>$1,592,412</td>
<td>$1,661,994</td>
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<tr>
<td>Total Deposits</td>
<td>$1,262,168</td>
<td>$1,458,021</td>
<td>$1,785,209</td>
<td>$1,834,962</td>
<td>$1,820,028</td>
</tr>
<tr>
<td>Assets under Management</td>
<td>$2,583,000</td>
<td>$2,735,000</td>
<td>$3,380,000</td>
<td>$3,848,000</td>
<td>$4,566,146</td>
</tr>
<tr>
<td>Assets under Administration</td>
<td>$15,500,000</td>
<td>$17,500,000</td>
<td>$25,028,000</td>
<td>$28,220,000</td>
<td>$27,605,763</td>
</tr>
<tr>
<td>Mortgage Originations</td>
<td>$729,913</td>
<td>$986,979</td>
<td>$1,065,132</td>
<td>$867,253</td>
<td>$147,673</td>
</tr>
</tbody>
</table>

* Total revenue equals net interest income plus non interest income. Beginning in 2017, certain items have been reclassified to accurately reflect customer pass through expenses.
## RECORD QUARTER RESULTS
### 2018 FIRST QUARTER

<table>
<thead>
<tr>
<th>Results of Operation</th>
<th>Quarter-to-Date Actual March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$ 18,142</td>
</tr>
<tr>
<td>Non-Interest Income</td>
<td>24,256</td>
</tr>
<tr>
<td>Provision Expense</td>
<td>1,530</td>
</tr>
<tr>
<td>Non-Interest Expense</td>
<td>32,270</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>1,734</td>
</tr>
<tr>
<td>Net Income</td>
<td>$ 6,864</td>
</tr>
<tr>
<td>Diluted Earnings Per Share</td>
<td>$ 0.49</td>
</tr>
<tr>
<td>Return on Average Assets</td>
<td>1.35%</td>
</tr>
<tr>
<td>Return on Average Common Equity</td>
<td>15.39%</td>
</tr>
<tr>
<td>Net Interest Margin (Tax Equivalent)</td>
<td>3.91%</td>
</tr>
<tr>
<td>Book Value Per Common Share</td>
<td>$ 13.30</td>
</tr>
</tbody>
</table>
SUSTAINED PROFITABILITY
STABLE CORE EARNINGS AND POSITIVE TRENDING NET INTEREST MARGIN

EARNINGS & CASH EARNINGS PER SHARE

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>CEPS</th>
<th>CEPS2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1.48</td>
<td>$1.62</td>
<td>$1.62</td>
</tr>
<tr>
<td>2015</td>
<td>$1.21</td>
<td>$1.40</td>
<td>$1.40</td>
</tr>
<tr>
<td>2016</td>
<td>$1.00</td>
<td>$1.30</td>
<td>$1.30</td>
</tr>
<tr>
<td>2017</td>
<td>$1.10</td>
<td>$1.34</td>
<td>$1.34</td>
</tr>
<tr>
<td>2017*</td>
<td>$1.43</td>
<td>$0.42</td>
<td>$0.56</td>
</tr>
</tbody>
</table>

NET INTEREST MARGIN

<table>
<thead>
<tr>
<th>Year</th>
<th>3/31/17</th>
<th>3/31/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$0.00</td>
<td>$0.40</td>
</tr>
<tr>
<td>2015</td>
<td>$0.40</td>
<td>$0.80</td>
</tr>
<tr>
<td>2016</td>
<td>$0.80</td>
<td>$1.20</td>
</tr>
<tr>
<td>2017</td>
<td>$1.20</td>
<td>$1.60</td>
</tr>
<tr>
<td>2017*</td>
<td>$1.60</td>
<td>$2.00</td>
</tr>
</tbody>
</table>

* Net Income excluding the impact of $4.6 million charge to deferred tax asset due to tax reform.

1 Fully diluted common shares. Cash Earnings Per Share are non-GAAP measures. See appendix for non-GAAP reconciliation schedules.
Wealth Management
Mortgage
Retirement
Banking

YTD YTD

($ IN THOUSANDS)

Revenue excludes holding company interest expense associated with subordinated and trust preferred debt.
MANAGING NONINTEREST EXPENSE
DELIVERING TOP LINE REVENUE TO THE BOTTOM LINE

EFFICIENCY RATIO ¹

1 Source: SNL Financial, Data as of 12/31/2017. (SNL KeyField: 215449; Total noninterest expense, less amortization of intangible assets, divided by net interest income on a fully taxable equivalent basis and noninterest income

^ All U.S. Depository Institutions between $1B and $10B in Banking Assets and non-interest income as a percentage of total revenue equal to or greater than 30%.
CAPITAL
Note: Current intangible balances will be fully amortized at the end of 2025.
DIVERSIFIED LOAN PORTFOLIO

$1,638MM

CONCENTRATION BY TYPE

- Consumer Loans 5.2%
- Construction and Land Devel. 2.4%
- Secured by Farmland 0.6%
- Secured by 1-4 Family Residential Properties 34.4%
- Secured by Non Farm Non Residential Properties 21.7%
- Secured by Multifamily 4.4%
- Commercial and Industrial Loans 29.2%
- Loans to Finance Agriculture 2.0%

CONCENTRATION BY INDUSTRY

- Wholesale Trade 9.4%
- Transportation 2.8%
- Other 6.6%
- Hospitality & Food Service 4.1%
- Agriculture 3.9%
- Construction 8.9%
- Finance & Insurance 8.0%
- Health Care 6.0%
- Manufacturing 6.9%
- Professional Services 4.1%
- Real Estate and Rental 27.6%
- Retail Trade 11.9%

Fixed Rate: 46%  Variable Rate (>12m): 19%  Variable Rate (<12m): 35%

Data as of 3/31/2018.
SOLID ASSET QUALITY

^ Net Charge-Offs in 2014 were negative (i.e. net recoveries). The signs have been changed to positive to accurately represent the relationship to Reserves and Earnings.
STRONG CORE FUNDING MIX

Q1 DEPOSIT FUNDING ($1,820MM)

- Interest Bearing Deposits: 50.2%
- Non-Interest Bearing Deposits: 31.3%
- Time: 10.7%
- Other: 5.6% (5.6%)

LOW COST OF FUNDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost of Total Deposits</th>
<th>Cost of Interest Bearing Deposits</th>
<th>Total Cost of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.28%</td>
<td></td>
<td>0.28%</td>
</tr>
<tr>
<td>2015</td>
<td>0.28%</td>
<td></td>
<td>0.28%</td>
</tr>
<tr>
<td>2016</td>
<td>0.28%</td>
<td></td>
<td>0.28%</td>
</tr>
<tr>
<td>2017</td>
<td>0.40%</td>
<td></td>
<td>0.40%</td>
</tr>
<tr>
<td>2018</td>
<td>0.32%</td>
<td></td>
<td>0.32%</td>
</tr>
</tbody>
</table>

Data as of 3/31/2018. Total cost of funds includes short-term borrowings and excludes subordinated and trust preferred debt.

^ Q1 2018 Annualized
BANKING

AVERAGE EARNING ASSETS ($MM)

<table>
<thead>
<tr>
<th></th>
<th>Q1-2017</th>
<th>Q2-2017</th>
<th>Q3-2017</th>
<th>Q4-2017</th>
<th>Q1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>$1,760</td>
<td>$1,770</td>
<td>$1,818</td>
<td>$1,842</td>
<td>$1,878</td>
</tr>
</tbody>
</table>

AVERAGE DEPOSITS ($MM)

<table>
<thead>
<tr>
<th></th>
<th>Q1-2017</th>
<th>Q2-2017</th>
<th>Q3-2017</th>
<th>Q4-2017</th>
<th>Q1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>$1,699</td>
<td>$1,666</td>
<td>$1,599</td>
<td>$1,693</td>
<td>$1,749</td>
</tr>
</tbody>
</table>

BANKING PROFIT MARGIN ($000’s)*

<table>
<thead>
<tr>
<th></th>
<th>Q1-2017</th>
<th>Q2-2017</th>
<th>Q3-2017</th>
<th>Q4-2017</th>
<th>Q1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$9,034</td>
<td>$9,371</td>
<td>$9,567</td>
<td>$10,309</td>
<td>$8,727</td>
</tr>
<tr>
<td>Net</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>$17,887</td>
<td>$19,090</td>
<td>$20,229</td>
<td>$20,350</td>
<td>$20,478</td>
</tr>
</tbody>
</table>

| Profit Margin | 50.5% | 49.1% | 47.3% | 50.7% | 42.6% |

* For comparative purposes, historical expense and net income figures have been adjusted to reflect intercompany expense from banking to mortgage for loan purchases.

^ Net Income before Tax and Indirect Allocations.
MORTGAGE

MORTGAGE ORIGINATIONS ($MM)

<table>
<thead>
<tr>
<th></th>
<th>Q1-2017</th>
<th>Q2-2017</th>
<th>Q3-2017</th>
<th>Q4-2017</th>
<th>Q1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refi</td>
<td>$39.1</td>
<td>$35.5</td>
<td>$42.6</td>
<td>$58.3</td>
<td>$41.1</td>
</tr>
<tr>
<td>Purchase</td>
<td>$101.5</td>
<td>$241.3</td>
<td>$210.9</td>
<td>$138.1</td>
<td>$106.6</td>
</tr>
</tbody>
</table>

MORTGAGE BANKING PROFIT MARGIN ($000's)*

<table>
<thead>
<tr>
<th></th>
<th>Q1-2017</th>
<th>Q2-2017</th>
<th>Q3-2017</th>
<th>Q4-2017</th>
<th>Q1-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$3,864</td>
<td>$6,884</td>
<td>$6,424</td>
<td>$4,971</td>
<td>$3,602</td>
</tr>
<tr>
<td>Net Income</td>
<td>-$10</td>
<td>$1,274</td>
<td>$584</td>
<td>$1,192</td>
<td>-$195</td>
</tr>
</tbody>
</table>

Profit Margin

<table>
<thead>
<tr>
<th></th>
<th>Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>18.5%</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>9.1%</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>24.0%</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>-5.4%</td>
</tr>
</tbody>
</table>

* For comparative purposes, historical expense and net income figures have been adjusted to reflect intercompany expense from banking to mortgage for loan purchases.

^ Net Income before Tax and Indirect Allocations.
RETIREMENT AND BENEFITS

ASSETS UNDER MANAGEMENT & ADMINISTRATION ($MM)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>AUM</th>
<th>AUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>$25,816</td>
<td>$1,179</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>$26,423</td>
<td>$1,300</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>$27,226</td>
<td>$1,275</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>$28,128</td>
<td>$1,238</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>$27,521</td>
<td>$1,930</td>
</tr>
</tbody>
</table>

Net Income before Tax and Indirect Allocations:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>$Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>$5,080</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>$5,455</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>$4,284</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>$5,595</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>$6,413</td>
</tr>
</tbody>
</table>

RETIREMENT AND BENEFITS PROFIT MARGIN ($000's)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net Income</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>$5,080</td>
<td>$15,559</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>$5,455</td>
<td>$15,555</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>$4,284</td>
<td>$15,244</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>$5,595</td>
<td>$16,033</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>$6,413</td>
<td>$15,943</td>
</tr>
</tbody>
</table>

Profit Margin:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Margin</td>
<td>32.7%</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>35.1%</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>28.1%</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>35.0%</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>40.2%</td>
</tr>
</tbody>
</table>

^ Net Income before Tax and Indirect Allocations.
WEALTH MANAGEMENT

ASSETS UNDER MANAGEMENT & ADMINISTRATION ($MM)

<table>
<thead>
<tr>
<th>Period</th>
<th>Internal</th>
<th>AUA</th>
<th>AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>$2,442</td>
<td>$82</td>
<td>$520</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>$2,478</td>
<td>$72</td>
<td>$548</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>$2,570</td>
<td>$81</td>
<td>$543</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>$2,610</td>
<td>$92</td>
<td>$530</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>$2,637</td>
<td>$85</td>
<td>$518</td>
</tr>
</tbody>
</table>

WEALTH MANAGEMENT PROFIT MARGIN ($000’s)

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenue</th>
<th>Net Income^</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2017</td>
<td>$3,562</td>
<td>$1,380</td>
</tr>
<tr>
<td>Q2-2017</td>
<td>$3,613</td>
<td>$1,642</td>
</tr>
<tr>
<td>Q3-2017</td>
<td>$3,547</td>
<td>$1,628</td>
</tr>
<tr>
<td>Q4-2017</td>
<td>$3,995</td>
<td>$1,891</td>
</tr>
<tr>
<td>Q1-2018</td>
<td>$3,789</td>
<td>$1,693</td>
</tr>
</tbody>
</table>

Profit Margin:
- Q1-2017: 38.7%
- Q2-2017: 45.5%
- Q3-2017: 46.0%
- Q4-2017: 47.3%
- Q1-2018: 44.7%

^ Net Income before Tax and Indirect Allocations.
FUTURE OF ALERUS
### Key Strategic Initiatives

**Growing the Alerus Franchise**

#### Organic Growth | “One Alerus”

- Collaborative and engaged leadership team focused on growing organically by adding value and deepening relationships with existing clients.
  - **Proactive advise** centered on improving client’s financial wellbeing
  - **Technology roadmap** to support financial fitness, automate account opening, and integrate our full product and service offering (fast-follower mindset)
  - **Harness synergies** within our diverse balance sheet and deepen relationships with 350,000+ single service retirement and benefit clients
  - **Reinvention of operational processes** aided by technology to enhance client experience

#### Acquisitions

- Capitalize on **strategic and opportunistic** opportunities to grow in our existing markets or chosen, new markets
- Acquisition targets include **banks and fee income** companies with **complementary** business models, cultural similarities, and growth opportunities

#### Lift Out’s

- Recruit **top talent** (individuals, teams, or both) from outside of our organization to **accelerate growth** in our existing markets or jumpstart our entrance into chosen, new markets
- Lift out’s allow us to take advantage of unplanned market disruption by our competitors (i.e. acquisitions, mergers, etc.)
Diverse business lines can fulfill any financial need for our clients.

**CONSUMER FOCUSED**
- Payment account
- Emergency Savings
- Maximizing 401(k)
- Maximizing HSA
- Auto loan
- Save for mortgage down payment
- Mortgage financing
- Insurance planning
- College savings
- Retirement savings (after tax)
- Vacation savings

**BUSINESS FOCUSED**
- Payment account
- Treasury Management
- Ancillary Services
  - Lending
- 401(k) plan, ESOP
  - Payroll
- Employee Benefits
- Insurance planning
- Investment (after tax)
VALUE FOR ALL ALERUS STAKEHOLDERS
IT’S NOT JUST WHAT WE DO, IT’S HOW WE DO IT

We are in the midst of a transformation within our organization to holistically provide our clients with financial guidance at every touchpoint, which will in turn pave the way for increased career opportunities for our employees, and result in added value for our stockholders.

FOR OUR CLIENTS
- Proactive and holistic advice to help improve their financial wellbeing and provide peace of mind
- Sophisticated technology to improve speed of access and ease in managing their finances

FOR OUR EMPLOYEES
- Improved career paths with a growing organization
- Continued learning and growth opportunities

FOR OUR STOCKHOLDERS
- Leverage everything we have built over the last 20 years to maximize stockholder value
- Further diversify our composition of revenue to create and sustain long-term value
## OUR FUNDAMENTAL BELIEFS

The foundation of our culture is our core principles.

<table>
<thead>
<tr>
<th>Core Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DO THE RIGHT THING.</strong></td>
<td>People want to do business with people they trust.</td>
</tr>
<tr>
<td><strong>CHERISH PEOPLE.</strong></td>
<td>Take care of co-workers so everyone can take care of customers.</td>
</tr>
<tr>
<td><strong>EMPOWER WITH KNOWLEDGE.</strong></td>
<td>Knowledge drives confidence and positive action.</td>
</tr>
<tr>
<td><strong>RESPECT EVERYONE.</strong></td>
<td>Mutual respect is an important building block of good teamwork.</td>
</tr>
<tr>
<td><strong>SERVE WITH PASSION.</strong></td>
<td>Foster a culture of service.</td>
</tr>
<tr>
<td><strong>EMBRACE CHANGE.</strong></td>
<td>Success is never final.</td>
</tr>
</tbody>
</table>
SUMMARY

- Strong Midwestern financial services franchise located in high growth cities
- Nationwide retirement plan administration providing significant levels of non-interest income
- Experienced executive management team and independent board of directors
- Substantial ownership by employees (ESOP collectively owns 10%), officers, and directors
- Extensive history of disciplined acquisitions with successful integration experience
- Growth through strategic acquisitions in both the Bank and Alerus Retirement and Benefits space
- Organic growth through relationship management and referrals – leverage national customer base
- Strong capital levels maintained through consistent profitability and conservative leverage
  - Accessed the capital markets in 2015 with a $50 million Subordinated Debt Offering and received a BBB rating from Kroll Bond Rating Agency
CONTACT INFORMATION

CORPORATE HEADQUARTERS
Alerus Financial Corporation
401 Demers Avenue
Grand Forks, ND 58201
800.279.3200
ALERUS.COM

CORPORATE CONTACTS
Randy Newman
Chairman, President, & CEO
701.795.3317 :: randy.newman@alerus.com

Katie Lorenson
Chief Financial Officer
952.417.3725 :: katie.lorenson@alerus.com

Dan Cheever
Chief Development Officer
612.436.3503 :: dan.cheever@alerus.com

Missy Keney
Investor Relations
701.280.5120 :: missy.keney@alerus.com
APPENDIX
## NON-GAAP DISCLOSURE RECONCILIATION

<table>
<thead>
<tr>
<th>($000s)</th>
<th>2018 YTD</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Common Equity</td>
<td>$180,919</td>
<td>$176,778</td>
<td>$168,742</td>
<td>$160,903</td>
<td>$144,203</td>
</tr>
<tr>
<td>Less: Goodwill</td>
<td>(27,329)</td>
<td>(27,329)</td>
<td>(25,699)</td>
<td>(2,365)</td>
<td>(1,090)</td>
</tr>
<tr>
<td>Less: average other Intangibles, net of tax benefit</td>
<td>(20,934)</td>
<td>(17,869)</td>
<td>(20,651)</td>
<td>(12,903)</td>
<td>(7,869)</td>
</tr>
<tr>
<td>Average Tangible Common Equity</td>
<td>$132,656</td>
<td>$131,580</td>
<td>$122,392</td>
<td>$145,635</td>
<td>$135,244</td>
</tr>
</tbody>
</table>

The following table presents a reconciliation of net income available to common shareholders to net cash available to common shareholders for the years presented.

<table>
<thead>
<tr>
<th>($000s)</th>
<th>2018 YTD</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income available to common shareholders</td>
<td>$6,864</td>
<td>$15,444</td>
<td>$14,006</td>
<td>$16,908</td>
<td>$20,570</td>
</tr>
<tr>
<td>Add: Other intangible, net of tax benefit</td>
<td>945</td>
<td>3,374</td>
<td>4,203</td>
<td>2,618</td>
<td>2,518</td>
</tr>
<tr>
<td>Net Cash Available to common shareholders</td>
<td>$7,809</td>
<td>$18,818</td>
<td>$18,209</td>
<td>$19,526</td>
<td>$23,088</td>
</tr>
</tbody>
</table>

Cash ROTCE | 23.87% | 14.30% | 14.88% | 13.41% | 17.07% |
Average Common Shares (000s) | 14,044 | 14,007 | 14,000 | 13,947 | 13,887 |
Cash Earnings Per Share | $0.49 | $1.34 | $1.30 | $1.40 | $1.66 |
ALERUS LEADERSHIP
OUR MOTIVATED, DEDICATED, AND ENERGETIC LEADERS KEEP US ON THE RIGHT PATH

SENIOR EXECUTIVE TEAM

Randy Newman
Chairman, President, and Chief Executive Officer
37 years with Alerus

Katie Lorenson
Executive Vice President and Chief Financial Officer
Joined Alerus in 2017

Kris Compton
Executive Vice President and Chief Strategy Officer
43 years with Alerus

Ann McConn
Executive Vice President and Chief Business Officer
16 years with Alerus

Dan Cheever
Executive Vice President and Chief Development Officer
3 years with Alerus

ALERUS LEADERSHIP COUNCIL

Karl Bollingberg
Director of Lending
31 years with Alerus

Lori Day
Director of Mortgage
Joined Alerus in 2018

Scott Fenske
Ex Officio
General Counsel and Corporate Secretary
2 years with Alerus

Jon Hendry
Chief Information Officer
34 years with Alerus

Travis Ingebrigson
Manager of Financial Planning and Analysis
3 years with Alerus

Chad Johnson, CPA
Ex Officio
Director of Internal Audit
15 years with Alerus

Missy Keney
Director of Marketing and Customer Experience
13 years with Alerus

Karna Loyland
Director of Deposits
19 years with Alerus

Chip Norris
Group President, Director of Sales and Service
11 years with Alerus

Brian Overby
President of Alerus Retirement and Benefits
23 years with Alerus

Brian Schumacher
Director of Wealth Management
7 years with Alerus

Teresa Wasvick
Director of Human Resources
27 years with Alerus
BOARD OF DIRECTORS
ALERUS IS STEERED BY SOME OF THE TOP BUSINESS AND FINANCIAL MINDS IN THE MIDWEST

RANDY NEWMAN
Since 1988
Chairman, President, and CEO
Alerus Financial, N.A.
Alerus Financial Corporation
Grand Forks, ND

HAROLD GERSHMAN
Since 1989
Chairman and President
Gershman Enterprises, LLC and
Happy Harry's Bottle Shops
Grand Forks, ND

KEVIN LEMKE
Since 1994
President
Virtual Systems
Grand Forks, ND

KAREN BOHN
Since 1999
President, Galeo Group, LLC
Former Chief Administrative Officer, Piper Jaffray Co.
Former Chief Executive Officer, Piper Trust Company
Edina, MN

LLOYD CASE
Since 2005
Past President and CEO
Forum Communications Co.
Board of Directors, Forum Communications
Fargo, ND

SALLY SMITH
Since 2007
Retired, President and CEO
Buffalo Wild Wings, Inc.
Minneapolis, MN

GALEN VETTER
Since 2013
Retired, CFO
Franklin Templeton Investments
Former Partner In-Charge,
(Upper Midwest region) RSM
Board of Directors, Land O’ Lakes
Minneapolis, MN

DAN COUGHLIN
Since 2016
Former Managing Director & Co-Head – Financial Services,
Raymond James & Assoc.
Former Chairman & CEO, Howe Barns Hoefer & Arnett
Chicago, IL