Alerus

AS OF MARCH 31, 2017

OTCQX: ALRS
ALERUS.COM
INVESTORS.ALERUS.COM
FORWARD LOOKING STATEMENTS

The following information appears in accordance with the Private Securities Litigation Reform Act of 1995:

This presentation contains forward-looking statements about Alerus Financial Corporation. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date made. These forward-looking statements may cover, among other things, anticipated future revenue and expenses and the future plans and prospects of Alerus Financial Corporation. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. Global and domestic economies could fail to recover from the recent economic downturn or could experience another severe contraction, which could adversely affect Alerus Financial Corporation’s revenues and the values of its assets and liabilities. Global financial markets could experience a recurrence of significant turbulence, which could reduce the availability of funding to certain financial institutions and lead to a tightening of credit, a reduction of business activity, and increased market volatility. Stress in the commercial real estate markets, as well as a delay or failure of recovery in the residential real estate markets, could cause additional credit losses and deterioration in asset values. In addition, Alerus Financial Corporation’s business and financial performance is likely to be negatively impacted by effects of recently enacted and future legislation and regulation. Alerus Financial Corporation’s results could also be adversely affected by continued deterioration in general business and economic conditions; changes in interest rates; deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in its investment securities portfolio; legal and regulatory developments; increased competition from both banks and non-banks; cyber-attacks; 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
Non-GAAP financial measures disclosed by management are meant to provide additional information and insight relative to trends in the business to investors and, in certain cases, to present financial information as measured by rating agencies and other users of financial information. These measures are not in accordance with, or a substitute for, GAAP and may be different from, or inconsistent with, non-GAAP financial measures used by other companies.
COMPANY PROFILE

COMPANY PORTFOLIO

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

DIVERSIFIED FINANCIAL SERVICES COMPANY
- $2.0 billion banking assets
- $3.6 billion assets under management
- $25.9 billion assets under administration
- $1.0 billion annual mortgage originations

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

DIVERSIFIED REVENUE STREAM

2017 YEAR-TO-DATE
- Non-interest income: $24.2 million
- Net interest income: $15.5 million

FULL YEAR 2016
- Non-interest income: $105.2 million
- Net interest income: $62.8 million

Data as of 3/31/2017.
MARKET PRESENCE :: BANK

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

- 44,523 individual customers
- 13,371 businesses
- 6,394 employer-sponsored retirement plans
- 350,865 employer-sponsored retirement plan participants

Data as of 3/31/2017.
MARKET DISTRIBUTION

BANKING :: MORTGAGE :: RETIREMENT :: WEALTH MANAGEMENT

**LOANS** ($1,395MM)
- Duluth, MN, $54,467
- Scottsdale, AZ, $140,357
- Fargo, ND, $220,332
- Grand Forks, ND, $323,607
- Other, $3,716

**DEPOSITS** ($1,743MM)
- Duluth, MN, $33,019
- Scottsdale, AZ, $64,653
- Fargo, ND, $370,687
- Twin Cities, MN, $609,442
- Grand Forks, ND, $492,687
- Other, $172,822

**MORTGAGE** ($140M)
- Fargo, ND, $7,373
- Grand Forks, ND, $10,664
- Twin Cities, MN, $122,362

**WEALTH MANAGEMENT** ($2.5MM)
- National, $104,472
- Twin Cities, MN, $67,542
- Fargo, ND, $879,781
- Grand Forks, ND, $1,471,359

**RETIREMENT** ($25,816MM)
- National, $20,202,849
- Twin Cities, MN, $1,414,775
- Grand Forks, ND, $1,115,695
- Fargo, ND, $3,082,696

* Excludes loans held for sale. Data as of 3/31/2017.
OUR FUNDAMENTAL BELIEFS
THE FOUNDATION OF OUR CULTURE IS OUR CORE PRINCIPLES

DO THE RIGHT THING.
People want to do business with people they trust.

CHERISH PEOPLE.
Take care of co-workers so everyone can take care of customers.

EMPOWER WITH KNOWLEDGE.
Knowledge drives confidence and positive action.

RESPECT EVERYONE.
Mutual respect is an important building block of good teamwork.

SERVE WITH PASSION.
Foster a culture of service.

EMBRACE CHANGE.
Success is never final.
STOCKHOLDER RETURNS
WE’RE HERE FOR THE LONG TERM

HISTORY OF CONTINUOUS DIVIDENDS

DIVIDENDS (SINCE 1980)

<table>
<thead>
<tr>
<th>Dividend Payout Ratio</th>
<th>29.75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Increase per Year</td>
<td>9.02%</td>
</tr>
</tbody>
</table>

TOTAL RETURN

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Return through 3/31/17</td>
<td>10.17%</td>
</tr>
<tr>
<td>5-Year Return through 12/31/16</td>
<td>126.34%</td>
</tr>
<tr>
<td>10-Year Return through 12/31/16</td>
<td>87.54%</td>
</tr>
</tbody>
</table>

HISTORICAL STOCK PERFORMANCE

2016 TOTAL RETURN

Total Return: ALRS = -8% | S&P 500 = 12% | S&P 500 Div. Banks = 22%

5-YEAR TOTAL RETURN

Total Return: ALRS = 126% | S&P 500 = 98% | S&P 500 Div. Banks = 143%

10-YEAR TOTAL RETURN

Total Return: ALRS = 88% | S&P 500 = 96% | SNL US Banks = 1%

TOTAL RETURN SINCE 2000

Total Return: ALRS = 518% | S&P 500 = 112% | SNL US Bank = 99%

FINANCIAL OVERVIEW
<table>
<thead>
<tr>
<th></th>
<th>2017-Q1</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$2,004,479</td>
<td>$2,050,579</td>
<td>$1,744,863</td>
<td>$1,487,732</td>
<td>$1,381,727</td>
</tr>
<tr>
<td>Total Gross Loans</td>
<td>$1,419,499</td>
<td>$1,402,015</td>
<td>$1,175,563</td>
<td>$1,130,500</td>
<td>$ 944,818</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>$1,743,105</td>
<td>$1,785,209</td>
<td>$1,458,021</td>
<td>$1,262,168</td>
<td>$1,182,603</td>
</tr>
<tr>
<td>Stockholder's Equity</td>
<td>$ 173,149</td>
<td>$ 168,785</td>
<td>$ 182,821</td>
<td>$ 171,086</td>
<td>$ 153,311</td>
</tr>
<tr>
<td>Total Revenue*</td>
<td>$ 39,706</td>
<td>$168,021</td>
<td>$146,125</td>
<td>$129,484</td>
<td>$126,067</td>
</tr>
<tr>
<td>Net Income</td>
<td>$ 4,951</td>
<td>$ 14,031</td>
<td>$ 17,108</td>
<td>$ 20,770</td>
<td>$ 20,537</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>3.58%</td>
<td>3.63%</td>
<td>3.81%</td>
<td>3.97%</td>
<td>3.94%</td>
</tr>
<tr>
<td>Assets under Management</td>
<td>$ 3,621,000</td>
<td>$ 3,380,000</td>
<td>$ 2,735,000</td>
<td>$ 2,583,000</td>
<td>$ 2,424,000</td>
</tr>
<tr>
<td>Assets under Administration</td>
<td>$ 25,899,000</td>
<td>$ 25,028,000</td>
<td>$ 17,500,000</td>
<td>$ 15,500,000</td>
<td>$ 12,900,000</td>
</tr>
<tr>
<td>Mortgage Originations</td>
<td>$ 140,599</td>
<td>$1,065,132</td>
<td>$ 986,979</td>
<td>$  729,913</td>
<td>$ 1,028,208</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.
REVENUE BY BUSINESS
CORE BUSINESS LINES

<table>
<thead>
<tr>
<th>Year</th>
<th>Wealth Management</th>
<th>Mortgage</th>
<th>Retirement</th>
<th>Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$7,352</td>
<td>$36,003</td>
<td>$27,177</td>
<td>$55,535</td>
</tr>
<tr>
<td>2014</td>
<td>$8,249</td>
<td>$41,058</td>
<td>$18,435</td>
<td>$61,742</td>
</tr>
<tr>
<td>2015</td>
<td>$11,418</td>
<td>$51,059</td>
<td>$24,630</td>
<td>$59,018</td>
</tr>
<tr>
<td>2016</td>
<td>$12,981</td>
<td>$57,804</td>
<td>$30,033</td>
<td>$67,203</td>
</tr>
<tr>
<td>3/31/16 YTD</td>
<td>$3,084</td>
<td>$15,930</td>
<td>$43,42</td>
<td>$12,981</td>
</tr>
<tr>
<td>3/31/17 YTD</td>
<td>$3,562</td>
<td>$15,559</td>
<td>$16,896</td>
<td>$15,559</td>
</tr>
</tbody>
</table>
**PROFITABILITY**

**ROAA**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on Average Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.57%</td>
</tr>
<tr>
<td>2014</td>
<td>1.45%</td>
</tr>
<tr>
<td>2015</td>
<td>1.12%</td>
</tr>
<tr>
<td>2016</td>
<td>0.73%</td>
</tr>
<tr>
<td>3/31/17</td>
<td>1.03%</td>
</tr>
</tbody>
</table>

**ROACE AND ROATCE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on Average Common Equity</th>
<th>Return on Average Tangible Common Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>18.23%</td>
<td>18.57%</td>
</tr>
<tr>
<td>2014</td>
<td>17.11%</td>
<td>11.46%</td>
</tr>
<tr>
<td>2015</td>
<td>13.41%</td>
<td>10.51%</td>
</tr>
<tr>
<td>2016</td>
<td>14.88%</td>
<td>8.30%</td>
</tr>
<tr>
<td>3/31/17</td>
<td>18.57%</td>
<td>15.60%</td>
</tr>
</tbody>
</table>

**EARNINGS PER SHARE**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>3/31/16 YTD</th>
<th>3/31/17 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.48</td>
<td>$1.48</td>
<td>$1.21</td>
<td>$1.00</td>
<td>$0.23</td>
<td>$0.35</td>
<td></td>
</tr>
</tbody>
</table>

**CASH EARNINGS PER SHARE**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>3/31/16 YTD</th>
<th>3/31/17 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.60</td>
<td>$1.62</td>
<td>$1.40</td>
<td>$1.30</td>
<td>$0.30</td>
<td>$0.42</td>
<td></td>
</tr>
</tbody>
</table>

*Cash Earnings Per Share are non-GAAP measures. See appendix for non-GAAP reconciliation schedules.*
CAPITAL
CAPITAL RATIOS
ALERUS FINANCIAL CORPORATION

Common Equity Tier 1 Capital Ratio
Tier 1 Risk-Based Capital Ratio
Total Risk-Based Capital Ratio
Tier 1 Leverage Ratio
Tangible Common Equity to Tangible Assets
### Well Capitalized Regulatory Minimum

<table>
<thead>
<tr>
<th></th>
<th>2017-Q1</th>
<th>2016-Q4</th>
<th>2016-Q3</th>
<th>2016-Q2</th>
<th>2016-Q1</th>
<th>2015-Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Ending Assets</td>
<td>$2,004,479</td>
<td>$2,050,269</td>
<td>$1,938,514</td>
<td>$1,933,984</td>
<td>$2,048,240</td>
<td>$1,744,863</td>
</tr>
<tr>
<td>ALLL</td>
<td>15,754</td>
<td>15,615</td>
<td>16,347</td>
<td>16,229</td>
<td>15,458</td>
<td>14,688</td>
</tr>
<tr>
<td><strong>Capital Ratios</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier One Capital Ratio*</td>
<td>6.50%</td>
<td>5.75%</td>
<td>7.64</td>
<td>7.74%</td>
<td>7.43%</td>
<td>7.02%</td>
</tr>
<tr>
<td>Tier One Risk-Based Capital Ratio*</td>
<td>8.00%</td>
<td>7.25%</td>
<td>8.15</td>
<td>8.23%</td>
<td>7.90%</td>
<td>7.49%</td>
</tr>
<tr>
<td>Total Risk-Based Capital Ratio*</td>
<td>10.00%</td>
<td>9.25%</td>
<td>12.23</td>
<td>12.29%</td>
<td>11.97%</td>
<td>11.44%</td>
</tr>
<tr>
<td>Tier One Leverage Ratio</td>
<td>5.00%</td>
<td>4.00%</td>
<td>6.82</td>
<td>6.85%</td>
<td>6.87%</td>
<td>6.58%</td>
</tr>
<tr>
<td>Tangible Common Equity/Tangible Common Assets</td>
<td>N/A</td>
<td>N/A</td>
<td>5.89</td>
<td>5.46%</td>
<td>5.83%</td>
<td>5.69%</td>
</tr>
<tr>
<td><strong>Risk Weighted Assets</strong></td>
<td>1,595,886</td>
<td>1,602,460</td>
<td>1,618,666</td>
<td>1,661,459</td>
<td>1,602,244</td>
<td>1,382,169</td>
</tr>
<tr>
<td>Average Assets for leverage Ratio</td>
<td>1,907,689</td>
<td>1,924,787</td>
<td>1,863,813</td>
<td>1,890,257</td>
<td>1,872,029</td>
<td>1,571,120</td>
</tr>
<tr>
<td><strong>Total Equity Capital</strong></td>
<td>$173,149</td>
<td>$168,785</td>
<td>$169,788</td>
<td>$168,537</td>
<td>$165,933</td>
<td>$182,821</td>
</tr>
<tr>
<td>LESS: Unrealized Gains/(Losses)</td>
<td>613</td>
<td>1,870</td>
<td>(2,511)</td>
<td>(2,947)</td>
<td>(2,131)</td>
<td>(1,049)</td>
</tr>
<tr>
<td>LESS: Disallowed deferred Tax Assets</td>
<td>(254)</td>
<td>(191)</td>
<td>(297)</td>
<td>(401)</td>
<td>(401)</td>
<td>(267)</td>
</tr>
<tr>
<td>LESS: Perpetual Preferred Stock</td>
<td>(20,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LESS: Other Items</td>
<td>(196)</td>
<td>(264)</td>
<td>(285)</td>
<td>(323)</td>
<td>(350)</td>
<td>(142)</td>
</tr>
<tr>
<td><strong>Common Tier 1 Equity</strong></td>
<td>$121,905</td>
<td>$124,095</td>
<td>$120,324</td>
<td>$116,829</td>
<td>$114,200</td>
<td>$150,873</td>
</tr>
<tr>
<td>ADD: Perpetual Preferred Stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td>ADD: Subordinated Debt – Trust Preferred Securities</td>
<td>8,184</td>
<td>7,856</td>
<td>7,827</td>
<td>7,799</td>
<td>7,771</td>
<td></td>
</tr>
<tr>
<td>LESS: Other Items</td>
<td>(64)</td>
<td>(127)</td>
<td>(198)</td>
<td>(267)</td>
<td>(267)</td>
<td>(401)</td>
</tr>
<tr>
<td><strong>Total Tier 1 Capital</strong></td>
<td>$130,025</td>
<td>$131,823</td>
<td>$127,953</td>
<td>$124,361</td>
<td>$121,704</td>
<td>$170,473</td>
</tr>
<tr>
<td>Tier 2 Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADD: Allowance for Loan and Lease Losses</td>
<td>15,754</td>
<td>15,615</td>
<td>16,348</td>
<td>16,229</td>
<td>15,458</td>
<td>14,688</td>
</tr>
<tr>
<td>ADD: Subordinated Debt – other</td>
<td>49,453</td>
<td>49,438</td>
<td>49,422</td>
<td>49,406</td>
<td>49,391</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total Risk Based Capital</strong></td>
<td>$195,242</td>
<td>$196,876</td>
<td>$193,723</td>
<td>$189,996</td>
<td>$186,553</td>
<td>$235,160</td>
</tr>
</tbody>
</table>

* Regulatory minimum includes buffer of 1.25%.
LOAN PORTFOLIO, ASSET QUALITY, AND DEPOSITS
ASSET DIVERSIFICATION

LOAN PORTFOLIO ($1,419.5MM)

- Consumer Loans: 5.9%
- Loans to Finance Agriculture: 2.4%
- Commercial and Industrial Loans: 31.0%
- Secured by Non Farm Non Residential Properties: 24.3%
- Secured by Multi-family: 3.9%
- Secured by 1-4 Family Residential Properties: 28.3%
- Construction and Land Devel.: 3.4%
- Secured by Farmland: 0.7%

CONCENTRATION BY INDUSTRY

- Retail Trade: 11.8%
- Real Estate and Rental: 29.0%
- Hospitality & Food Service: 4.8%
- Agriculture: 4.2%
- Construction: 7.6%
- Finance & Insurance: 5.6%
- Health Care: 5.6%
- Manufacturing: 6.9%
- Professional Services: 5.6%
- Oil & Gas, Mining: 0.4%
- Transportation: 2.8%
- Wholesale Trade: 8.5%
- Other: 7.1%

Data as of 3/31/2017.
*Adjusted for loss share agreement with the FDIC.
DEPOSIT MIX

DEPOSITS ($1.743B)

- MMDA: 34%
- DDA: 30%
- NOW: 20%
- Savings: 3%
- CD < $250,000: 11%
- CD > $250,000: 2%

LOW COST OF FUNDS

- 2012: 0.42%
- 2013: 0.30%
- 2014: 0.34%
- 2015: 0.34%
- 2016: 0.28%
- 3/31/2017: 0.29%

Data as of 3/31/2017.
BUSINESS LINES
MORTGAGE

MORTGAGE ORIGINATIONS ($MM)

MORTGAGE BANKING REVENUE ($MM)

NET INCOME ($MM)
BEFORE TAX AND INDIRECT ALLOCATIONS

* For comparative purposes, revenue figures have been adjusted to properly classify customer pass through expenses.
WEALTH MANAGEMENT

ASSETS UNDER MANAGEMENT*

<table>
<thead>
<tr>
<th></th>
<th>Q1-2016</th>
<th>Q2-2016</th>
<th>Q3-2016</th>
<th>Q4-2016</th>
<th>Q1-2017</th>
</tr>
</thead>
</table>

WEALTH MANAGEMENT REVENUE ($MM)

<table>
<thead>
<tr>
<th></th>
<th>Q1-2016</th>
<th>Q2-2016</th>
<th>Q3-2016</th>
<th>Q4-2016</th>
<th>Q1-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions</td>
<td>$3,084</td>
<td>$3,075</td>
<td>$3,173</td>
<td>$3,649</td>
<td>$3,562</td>
</tr>
</tbody>
</table>

NET INCOME ($MM)

<table>
<thead>
<tr>
<th></th>
<th>Q1-2016</th>
<th>Q2-2016</th>
<th>Q3-2016</th>
<th>Q4-2016</th>
<th>Q1-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millions</td>
<td>$1,153</td>
<td>$1,063</td>
<td>$1,109</td>
<td>$1,788</td>
<td>$1,327</td>
</tr>
</tbody>
</table>

* Includes internally managed assets.
OUR CORE BUSINESS LINES
A BIG COMPANY MODEL WITH SMALL COMPANY EXECUTION

BUSINESS BANKING
• Commercial and commercial real estate lending
• Agriculture lending
• Treasury management
• Deposit services

CONSUMER BANKING
• Deposit services
• Consumer lending
• Private banking

MORTGAGE
• Residential mortgage lending
• Purchase or refinance
• Residential construction lending
• Home equity/second mortgages

RETIRED PLAN AND BENEFITS
• Retirement plan administration
• Retirement plan investment advisory
• ESOP fiduciary services
• Payroll administration services
• Health and welfare administration
• COBRA

RELATIONSHIP MANAGER

WEALTH MANAGEMENT
• Trust and fiduciary services
• Investment management
• Financial planning
• Philanthropic giving

BANKING
ONE POINT OF CONTACT

STRONG INTEGRATION OF TEAMS SUPPORTED BY STRUCTURE AND COLLABORATION
STRATEGIC OBJECTIVES
EXCELLENCE IN EXECUTION

- Organic growth across business lines supplemented by strategic acquisitions – disrupt our competition through the combination of digital capabilities and relationship based service.

- Investment in customer friendly technology solutions complemented by Financial Advisors to help individuals and businesses become more financially fit.

- Focus on process improvements that begin with the customer experience – using technology solutions to streamline processes.

- Training and development of staff to meet changing customer needs and expectations.

- Build on our relationship model, serving as one cohesive team across the company to assure an integrated customer experience – ONE ALERUS.

- Integrate newly acquired business lines of Payroll and Benefits.
GROWTH MARKETS
- Business model more suited to MSAs (metropolitan statistical growth areas)

HIGH VALUE, PROFESSIONAL SERVICES BUSINESS MODEL
- Focus on long term relationships

STRONG FINANCIAL FOUNDATION AND DISCIPLINE
- Strong core operating earnings
- Solid risk management (diversification, strong credit culture, and financial controls)
- Strong capital ratios
- Strong commitment to invest in disruptive technology.

PROFESSIONAL, HIGH-PERFORMING AND ENGAGED EMPLOYEES
- Disciplined, accountable, and focused on executing our business strategies
- ESOP ownership

STRONG LEADERSHIP
- Board, formation of Alerus Leadership Council
- Management succession
- High personal responsibility and accountability for results
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 disciplined acquisition and 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

Dan Cheever
Chief Financial 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></th>
<th>($000s)</th>
<th>2017 YTD</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Common Equity</td>
<td>$175,181</td>
<td>$168,742</td>
<td>$160,903</td>
<td>$144,203</td>
<td>$130,300</td>
<td>$116,624</td>
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<tr>
<td>Less: Goodwill</td>
<td>$(27,330)</td>
<td>$(25,669)</td>
<td>$(2,365)</td>
<td>$(1,090)</td>
<td>$(664)</td>
<td>$(664)</td>
<td></td>
</tr>
<tr>
<td>Less: Goodwill</td>
<td>$(19,198)</td>
<td>$(20,651)</td>
<td>$(12,903)</td>
<td>$(7,869)</td>
<td>$(6,797)</td>
<td>$(10,485)</td>
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<tr>
<td>Average Tangible Common Equity</td>
<td>$128,653</td>
<td>$122,422</td>
<td>$145,635</td>
<td>$135,244</td>
<td>$122,839</td>
<td>$105,475</td>
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<tr>
<th></th>
<th>($000s)</th>
<th>2017 YTD</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income available to common shareholders</td>
<td>$4,951</td>
<td>$14,006</td>
<td>$16,908</td>
<td>$20,031</td>
<td>$20,070</td>
<td>$15,917</td>
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<tr>
<td>Add: Other intangible, net of tax benefit</td>
<td>$938</td>
<td>$4,203</td>
<td>$2,618</td>
<td>$2,518</td>
<td>$1,993</td>
<td>$2,160</td>
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</tr>
<tr>
<td>Net Cash Available to common shareholders</td>
<td>$5,889</td>
<td>$18,209</td>
<td>$19,526</td>
<td>$22,549</td>
<td>$22,063</td>
<td>$18,077</td>
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</thead>
<tbody>
<tr>
<td>Cash ROTCE</td>
<td>4.58%</td>
<td>14.87%</td>
<td>13.41%</td>
<td>16.67%</td>
<td>17.96%</td>
<td>17.14%</td>
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</tr>
<tr>
<td>Average Common Shares (000s)</td>
<td>13,975</td>
<td>14,002</td>
<td>13,947</td>
<td>13,887</td>
<td>13,762</td>
<td>13,591</td>
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<tr>
<td>Cash Earnings Per Share</td>
<td>$0.42</td>
<td>$1.30</td>
<td>$1.40</td>
<td>$1.62</td>
<td>$1.60</td>
<td>$1.33</td>
<td></td>
</tr>
</tbody>
</table>
OUR MOTIVATED, DEDICATED, AND ENERGETIC LEADERS KEEP US ON THE RIGHT PATH

SENIOR EXECUTIVE TEAM

RANDY NEWMAN  
Chairman, President, and Chief Executive Officer  
36 years with Alerus

KARL BOLLINGBERG  
Director of Lending

KRIS COMPTON  
Executive Vice President and Chief Strategy Officer  
42 years with Alerus

Jon Hendry  
Chief Information Officer

DAN CHEEVER  
Executive Vice President and Chief Financial Officer  
2 years with Alerus

Missy Keney  
Director of Customer Experience and Corporate Communications

ANN MCONN  
Executive Vice President and Chief Business Officer  
15 years with Alerus

Karna Loyland  
Director of Deposits

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

CHIP NORRIS  
Group President, Director of Sales and Service

DAN CHEEVER  
Executive Vice President and Chief Financial Officer  
2 years with Alerus

BRIAN OVERBY  
President of Alerus Retirement and Benefits

ANN MCONN  
Executive Vice President and Chief Business Officer  
15 years with Alerus

BRIAN SCHUMACHER  
Director of Wealth Management

TERESA WASVICK  
Director of Human Resources

ALERUS LEADERSHIP COUNCIL
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

James Karley
Since 1997
President
Johnstown Bean, Cavalier
Bean Companies, and
North Central Commodities
Gilby, 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
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)
McGladrey LLP
Minneapolis, MN

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