



INVESTOR PRESENTATION

1Q 2025

NASDAQ: ALRS

ALERUS

DISCLAIMERS

Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, statements concerning plans, estimates, calculations, forecasts and projections with respect to the anticipated future performance of Alerus Financial Corporation. These statements are often, but not always, identified by words such as “may”, “might”, “should”, “could”, “predict”, “potential”, “believe”, “expect”, “continue”, “will”, “anticipate”, “seek”, “estimate”, “intend”, “plan”, “projection”, “would”, “annualized”, “target” and “outlook”, or the negative version of those words or other comparable words of a future or forward-looking nature. Examples of forward-looking statements include, among others, statements we make regarding our projected growth, anticipated future financial performance, financial condition, credit quality, management’s long-term performance goals and the future plans and prospects of Alerus Financial Corporation.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances 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 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 forward-looking statements include, among others, the following: the strength of the local, state, national and international economies and financial markets (including effects of inflationary pressures and future monetary policies of the Federal Reserve in response thereto); interest rate risk, including the effects of changes in interest rates; effects on the U.S. economy resulting from the implementation of, or changes to, existing policies and executive orders, including tariffs, immigration policy, regulatory and other governmental agencies, foreign policy, and tax regulations; disruptions to the global supply chain, including as a result of domestic or foreign policies; our ability to successfully manage credit risk, including in the commercial real estate (“CRE”) portfolio, and maintain an adequate level of allowance for credit losses; business and economic conditions generally and in the financial services industry, nationally and within our market areas, including the level and impact of inflation rates and possible recession; the effects of recent developments and events in the financial services industry, including the large-scale deposit withdrawals over a short period of time that resulted in several bank failures; our ability to raise additional capital to implement our business plan; the overall health of the local and national real estate market; credit risks and risks from concentrations (by type of borrower, geographic area, collateral, and industry) within our loan portfolio; the concentration of large loans to certain borrowers (including CRE loans); the level of nonperforming assets on our balance sheet; our ability to implement our organic and acquisition growth strategies, including the integration of HMN Financial, Inc. (“HMNF”) which the Company acquired in the fourth quarter of 2024; the commencement, cost, and outcome of litigation and other legal proceedings and regulatory actions against us or to which the Company may become subject, including with respect to pending actions relating to the Company’s previous ESOP fiduciary services commenced by government or private parties; the impact of economic or market conditions on our fee-based services; our ability to continue to grow our retirement and benefit services business; our ability to continue to originate a sufficient volume of residential mortgages; the occurrence of fraudulent activity, breaches or failures of our or our third-party vendors’ information security controls or cybersecurity-related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools or as a result of insider fraud; interruptions involving our information technology and telecommunications systems or third-party servicers; potential losses incurred in connection with mortgage loan repurchases; the composition of our executive management team and our ability to attract and retain key personnel; rapid and expensive technological change in the financial services industry; increased competition in the financial services industry, including from non-banks such as credit unions, Fintech companies and digital asset service providers; our ability to successfully manage liquidity risk, including our need to access higher cost sources of funds such as fed funds purchased and short-term borrowings; the concentration of large deposits from certain clients, including those who have balances above current Federal Deposit Insurance Corporation (“FDIC”) insurance limits; the effectiveness of our risk management framework; potential impairment to the goodwill the Company recorded in connection with our past acquisitions, including the acquisitions of Metro Phoenix Bank and HMNF; the extensive regulatory framework that applies to us; changes in local, state, and federal laws, regulations and government policies concerning the Company’s general business, including interpretation and prioritization of such laws, regulations and policies; new or revised accounting standards, as may be adopted by state and federal regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission (the “SEC”) or the Public Company Accounting Oversight Board; fluctuations in the values of the securities held in our securities portfolio, including as a result of changes in interest rates; governmental monetary, trade and fiscal policies; risks related to climate change and the negative impact it may have on our customers and their businesses; severe weather and natural disasters, and widespread disease or pandemics; acts of war or terrorism, including ongoing conflicts in the Middle East, the Russian invasion of Ukraine, or other adverse external events; any material weaknesses in our internal control over financial reporting; changes to U.S. or state tax laws, regulations and governmental policies concerning our general business, including changes in interpretation or prioritization and changes in response to prior bank failures; talent and labor shortages and employee turnover; our success at managing and responding to the risks involved in the foregoing items; and any other risks described in the “Risk Factors” sections of the reports filed by Alerus Financial Corporation with the SEC.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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.

Miscellaneous

Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of Alerus Financial Corporation after the date hereof. Certain of the information contained herein may be derived from information provided by industry sources. We believe that such information is accurate and that the sources from which it has been obtained are reliable. We cannot guarantee the accuracy of such information, however, and we have not independently verified such information.



COMPANY PROFILE

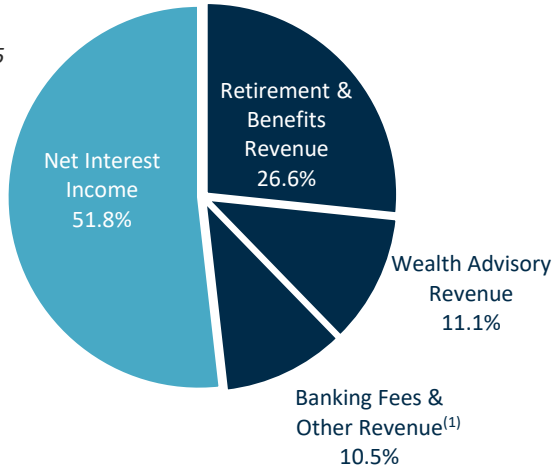
Alerus is a commercial wealth bank and a national retirement plan provider

DIVERSIFIED REVENUE

Last Twelve Months Ended March 31, 2025

Net Interest Income:
\$126.0 million
51.8% of revenue

Noninterest Income:
\$117.2 million
48.2% of revenue



RETIREMENT AND BENEFIT SERVICES

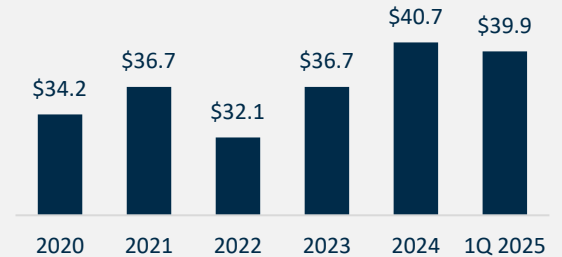
Retirement

- Plan administration
- Trust and custodial offerings
- Record keeping

Benefits

- Health savings accounts
- Flexible spending accounts
- COBRA

AUA / AUM:
\$ in billions



BANKING

Business Services

- Commercial and small business offerings
- Treasury Management services
- SBA & CRE Lending

Consumer Services

- Private banking
- Savings, money markets, CDs
- Mortgage services

Assets:
\$ in billions



WEALTH ADVISORY

- Financial Planning:** Retirement | Tax | Estate planning
- Investment Management:** Managed investments | Brokerage
- Trust and Fiduciary:** Estate Administration | Corporate Trusteeship

AUA / AUM:
\$ in billions



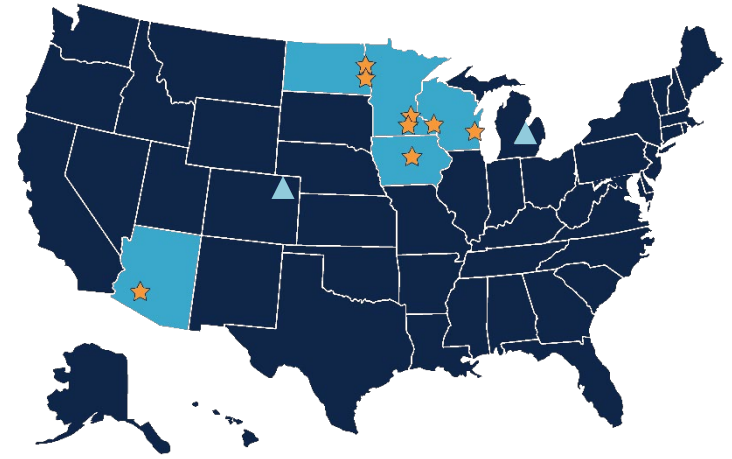
FRANCHISE FOOTPRINT

29 FULL-SERVICE BANKING OFFICES

- **Grand Forks, ND:** 4 offices ★
- **Fargo, ND:** 3 offices ★
- **Twin Cities, MN:** 7 offices ★
- **Rochester, MN:** 4 offices ★
- **Southern MN, WI and IA:** 9 offices ★
- **La Crosse, WI:** 1 loan production office ★
- **Phoenix, AZ:** 2 offices ★

RETIREMENT AND BENEFIT SERVICES

- Offices in **Minnesota, North Dakota, Michigan, and Colorado** ▲
- Retirement plan service clients in all **50 states** ■



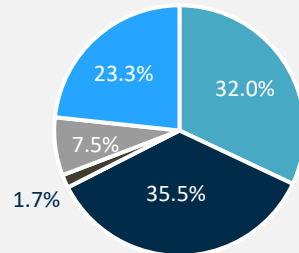
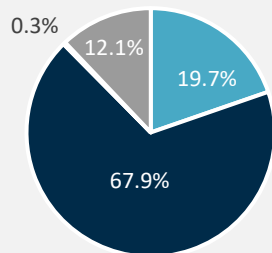
Market Distribution and Client Base

- **58,300** Consumer banking clients
- **20,100** Commercial banking clients
- **8,500** Employer-sponsored retirement plans
- **12,400** Wealth clients
- **492,100** Employer-sponsored retirement and benefit plan participants and health savings account participants
- **33,400** Flexible spending account and health reimbursement arrangement participants

BANKING

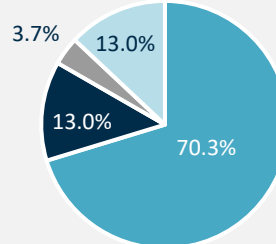
LOANS: \$4,085

DEPOSITS: \$4,485



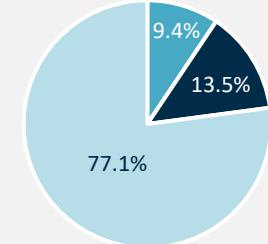
WEALTH ADVISORY

AUA / AUM: \$4,501



RETIREMENT AND BENEFITS

AUA / AUM: \$39,926

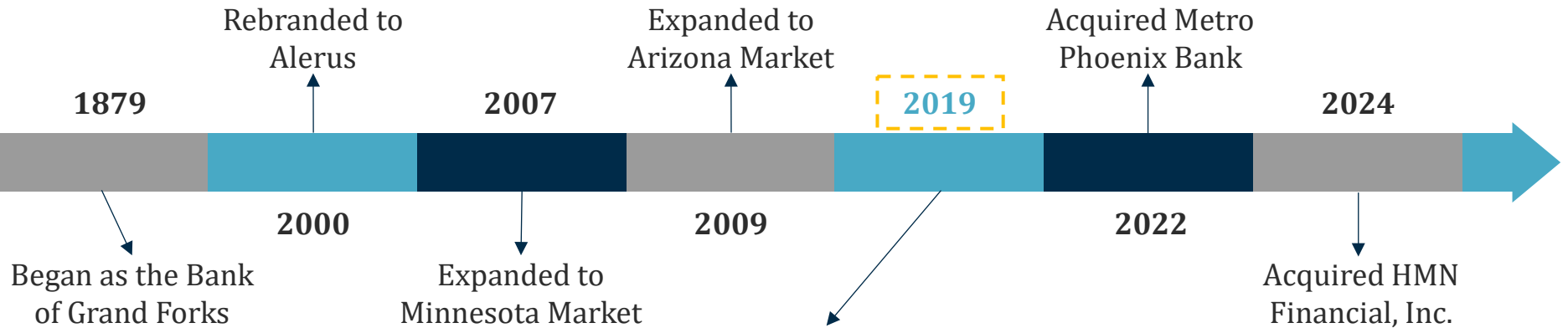


LEGEND: ■ North Dakota ■ Minnesota ■ Arizona ■ Wisconsin & Iowa ■ National ■ Synergistic | (\$ in millions)



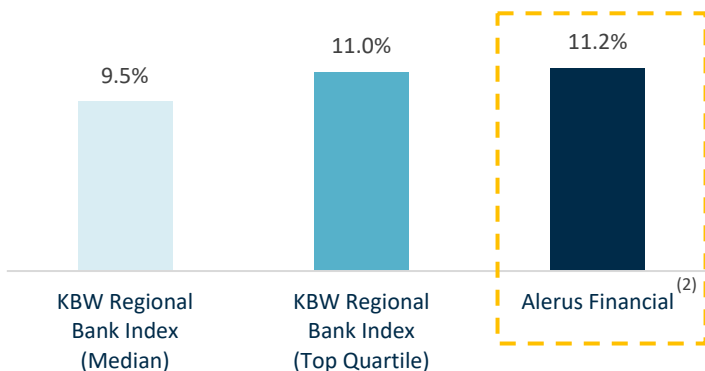
STRATEGIC GROWTH

To supplement our organic growth, we have executed 26 acquisitions throughout the history of our company including: 16 in Banking and 10 in Retirement and Benefits.

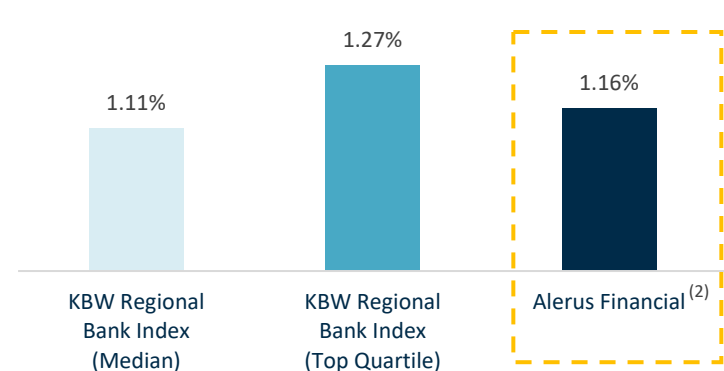


Completed Initial Public Offering (IPO)

ROE⁽¹⁾ (2019 - 2024)



ROA⁽¹⁾ (2019- 2024)



1. Source S&P Capital IQ.

2. Excludes net losses on investment securities (after-tax) of \$19.5 million in 4Q 2023. See "Non-GAAP Disclosure Reconciliation."



STRATEGIC INITIATIVES

One Alerus = Working Better Together to Grow



ORGANIC GROWTH

- Collaborative leadership team focused on **new client** acquisition, retention, and **deepening relationships** with existing clients
- **Diversified business model** focused on bringing value to clients through advice and specialty solutions to help clients grow
- Leveraging **growth synergies** unavailable to traditional banking organizations



EMPLOYER OF CHOICE

- Recruiting and retaining **top talent across the organization** with deep expertise and industry experience
- **Accelerating growth** in existing or new mid-market C&I banking markets and specialty niches **with talent and team lift-outs**



STRATEGIC ACQUISITIONS

- Proven history as **acquiror of choice** focused on complementary business models, cultural similarities, and growth opportunities
- Acquisition targets include nationwide **retirement and benefit** service providers, **wealth management** firms, and **banks**



PRODUCTIVITY AND EFFICIENCY

- Providing **secure and reliable** technology that meets evolving client expectations
- Integrating our full product and service offerings through our **fast-follower** technology strategy

Our Purpose Powers our Culture

Passion for Excellence

Act with accountability and sense of urgency to best serve clients and achieve exceptional results

Do the Right Thing

Lead with integrity and provide valued advice and guidance

Success is Never Final

Embrace opportunities to adapt and grow with our industry and our clients

One Alerus

Work together to provide purpose-driven products and services for our clients

OFFICERS AND DIRECTORS

EXECUTIVE MANAGEMENT



KATIE LORENSEN
 Director, President and
 Chief Executive Officer
8 years with Alerus

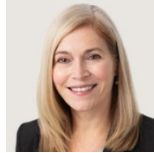
BOARD OF DIRECTORS



DAN COUGHLIN
Since 2016
 Chairman, Alerus Financial Corp.
 Former MD & Co-Head – Fin’l Services
 Inv. Banking, Raymond James; Former
 Chairman & CEO, Howe Barnes Hoefler
 & Arnett



AL VILLALON
 Executive Vice President and
 Chief Financial Officer
3 years with Alerus



KARIN TAYLOR
 Executive Vice President and
 Chief Operating Officer
7 years with Alerus



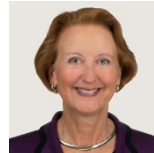
JIM COLLINS
 Executive Vice President and
 Chief Banking and Revenue Officer
3 years with Alerus



RANDY NEWMAN
Since 1987
 Former President and CEO, Alerus



GALEN VETTER
Since 2013
 Former Global CFO, Franklin Templeton
 Investments; Former Partner-in-Charge,
 Upper Midwest Region, RSM



JANET ESTEP
Since 2021
 Former President and CEO, Nacha;
 Former EVP, US Bank Transaction Division;
 Former VP, Pace Analytical Services



MARY ZIMMER
Since 2021
 Former Director of Diverse Client
 Segments and Former Northern Regional
 President, Wells Fargo Advisors;
 Former Head of Intl. Wealth USA, Royal
 Bank of Canada U.S. Wealth Mgmt.



FORREST WILSON
 Executive Vice President and
 Chief Retirement Services Officer
1 year with Alerus



MISSY KENEY
 Executive Vice President and
 Chief Engagement Officer
20 years with Alerus



JOHN URIBE
Since 2023
 Chief Financial Officer
 Blue Cross and Blue Shield of Minnesota



NIKKI SORUM
Since 2023
 Former Head of Sales and Distribution, Thrivent;
 Former SVP, Private Client Group,
 RBC Wealth Management
 Former Partner, McKinsey & Company



JEFFREY BOLTON
Since 2024
 Former Chief Administrative Officer and Chief
 Financial Officer, Mayo Clinic



ALERUS

FIRST QUARTER HIGHLIGHTS

Office in Minnetonka, Minnesota

1Q 2025 HIGHLIGHTS

Success is Never Final

EARNINGS

Adjusted EPS⁽¹⁾:

\$0.56

+\$0.11 from 4Q24

NII:

\$41.2 million

3.41% NIM

Adjusted ROAA⁽¹⁾:

1.10%

+25 bps vs. 4Q24

Adjusted ROTCE⁽¹⁾:

17.6%

+2.7% vs. 4Q24

BALANCE SHEET

Loans:

\$4.1 billion

+2.3% vs. 4Q24

Deposits:

\$4.5 billion

+2.4% vs. 4Q24

L/D Ratio:

91%

Stable vs. 4Q24

Synergistic

Deposits⁽²⁾:

+7.5% vs. 4Q24

ASSET & CAPITAL STRENGTH

CET1:

10.1%

Well above bank regulatory requirements

ACL to total loans:

1.52%

+2 bps vs. 4Q24

TBV per Share⁽¹⁾:

\$15.27

+\$0.83 vs. 4Q24

NCO Ratio:

0.04%

-9 bps vs. 4Q24

VALUE CREATION

Strong Momentum

Our first full quarter with HMNF integrated provides us with a strong tailwind

Expense Management Discipline

Adjusted efficiency ratio⁽¹⁾ was 66.9% in 1Q25 decreasing 2.1% vs. 4Q24

Paid \$0.20 Dividend Per Share

\$5.1 million to shareholders

1. Represents a non-GAAP Financial measure. See "Non-GAAP Disclosure Reconciliation."

2. Synergistic deposits are sourced from the Retirement and Benefit Services and Wealth Advisory Services segments.

1Q 2025 RESULTS

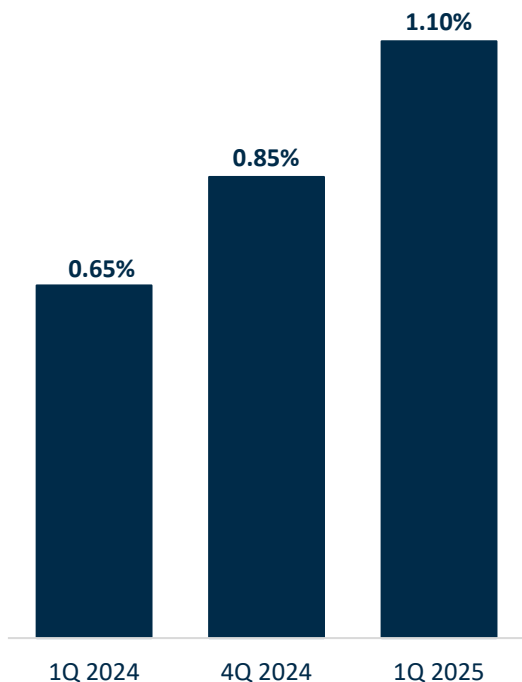
Income Statement

	Three months ended		
	March 31, 2025	December 31, 2024	March 31, 2024
	(Unaudited)	(Unaudited)	(Unaudited)
<i>(dollars and shares in thousands, except per share data)</i>			
Net Interest Income	\$ 41,157	\$ 38,284	\$ 22,219
Provision for Credit Losses	863	11,992	—
Net Interest Income After Provision for Credit Losses	40,294	26,292	22,219
Noninterest Income	27,632	33,874	25,323
Noninterest Expense	50,365	60,457	39,019
Income Before Income Taxes	17,561	(291)	8,523
Income Tax Expense	4,246	(225)	2,091
Net Income	\$ 13,315	\$ (66)	\$ 6,432
Adjusted Net Income⁽¹⁾	14,352	11,245	6,671
Pre-Provision Net Revenue⁽¹⁾	\$ 18,424	\$ 11,701	\$ 8,523
Adjusted Pre-Provision Net Revenue⁽¹⁾	19,737	18,247	8,826
Per Common Share Data			
Earnings Per Common Share - Diluted	\$ 0.52	\$ —	\$ 0.32
Adjusted Earnings Per Common Share - Diluted ⁽¹⁾	0.56	0.45	0.33
Diluted Average Common Shares Outstanding	25,653	25,144	19,986
Performance Ratios			
Return on Average Total Assets	1.02 %	— %	0.63 %
Adjusted Return on Average Total Assets	1.10 %	0.85 %	0.65 %
Return on Average Tangible Common Equity ⁽¹⁾	16.50 %	2.38 %	9.78 %
Adjusted Return on Average Tangible Common Equity ⁽¹⁾	17.61 %	14.89 %	10.10 %
Noninterest Income as a % of Revenue	40.17 %	46.94 %	53.26 %
Net Interest Margin (Tax-Equivalent)	3.41 %	3.20 %	2.30 %
Efficiency Ratio ⁽¹⁾	68.76 %	79.47 %	78.88 %
Adjusted Efficiency Ratio ⁽¹⁾	66.86 %	68.97 %	78.24 %

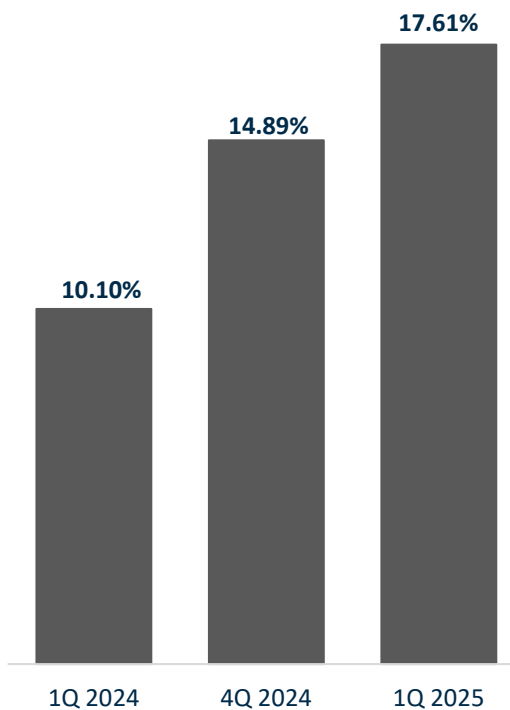


PERFORMANCE RATIOS

Adjusted Return on Average Assets^{(1)/(2)}



Adjusted Return on Average Tangible Common Equity^{(1)/(2)}



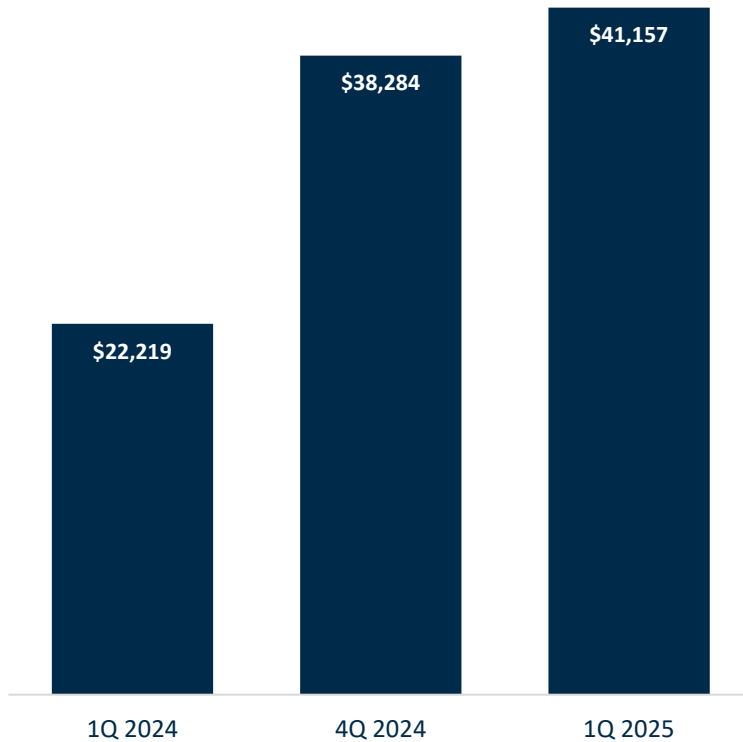
Tangible Book Value per Share⁽²⁾



KEY REVENUE ITEMS

Net Interest Income

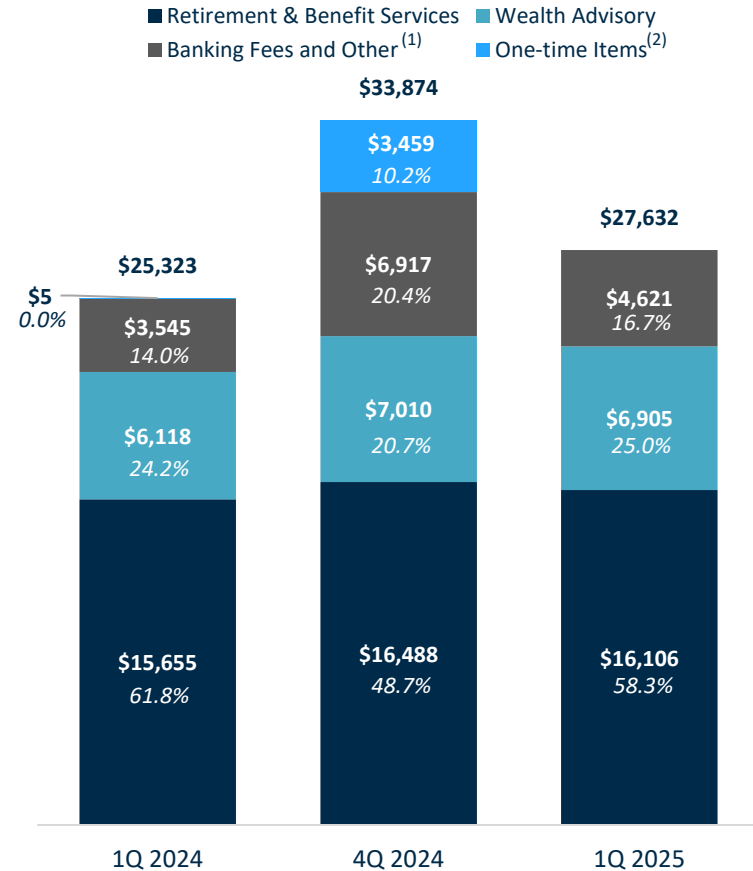
\$ in thousands



Net Interest Income: +7.5% Linked Quarter
+85.2% Year-over-year

Noninterest Income

\$ in thousands | % of noninterest income



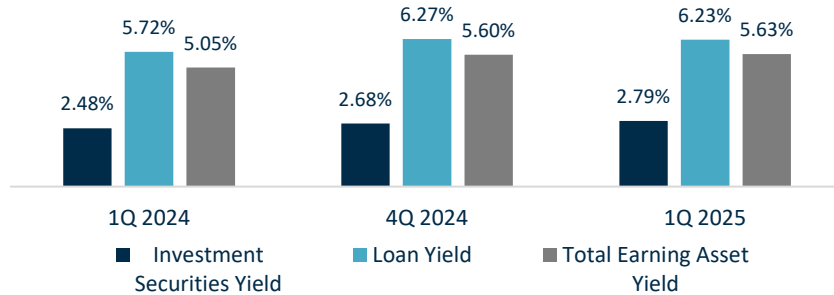
Noninterest Income: -18.4% Linked Quarter
+9.1% Year-over-year



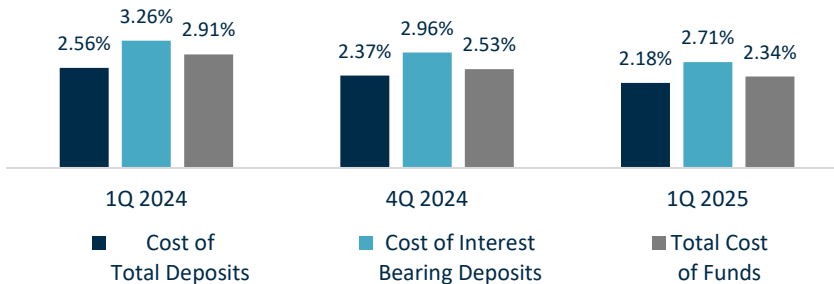
NET INTEREST INCOME

YIELDS AND RATES

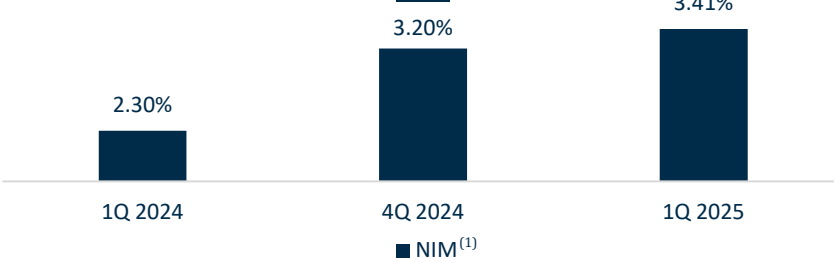
Earning Assets



Cost of Funds

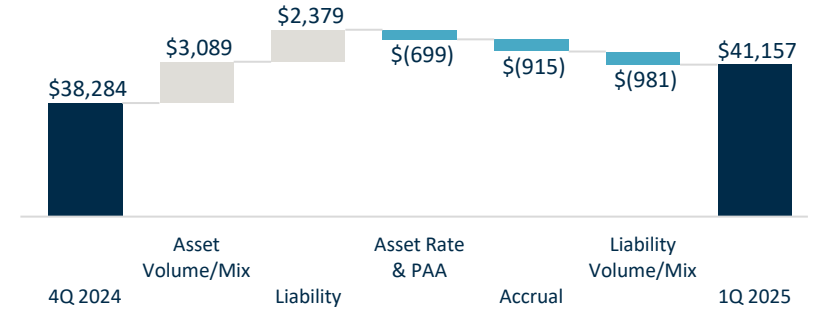


NIM⁽¹⁾



NII AND NIM⁽¹⁾ WALK

\$ in Thousands



NIM:	3.20%	0.15%	0.20%	(0.06%)	0.00%	(0.08%)	3.41%
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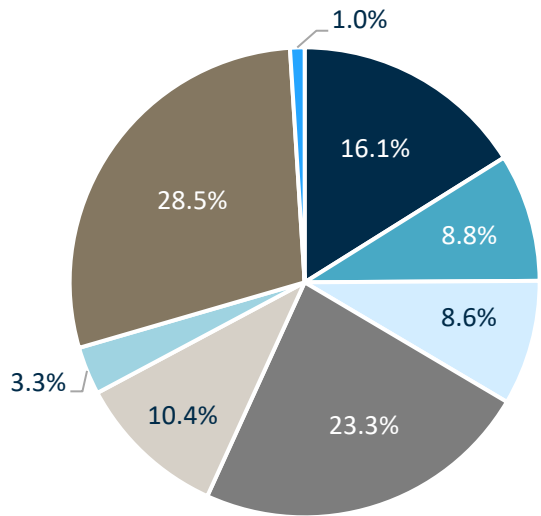
QUARTERLY HIGHLIGHTS

- Net interest income for the first quarter of 2025 was \$41.2 million, a \$2.9 million, or 7.5%, increase from the fourth quarter of 2024.
- The increase was primarily due to lower cost of funds, higher earning assets acquired in the HMNF transaction, and strong organic loan growth at higher yields.
- Net interest margin (on a tax-equivalent basis) increased 21 basis points to 3.41% from 3.20% for the fourth quarter of 2024.
- The increase was mainly attributable to lower average rates paid on deposit balances and organic loan growth at higher yields, partially offset by less purchase accounting accretion (PAA) from fewer pay-offs between the periods.



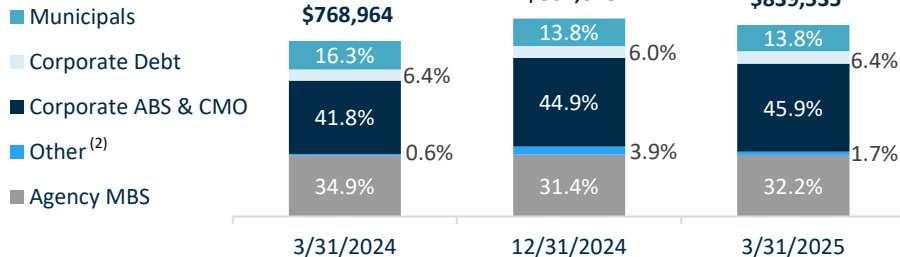
EARNING ASSETS

MARCH 31, 2025 LOAN PORTFOLIO⁽¹⁾



INVESTMENT PORTFOLIO

\$ in thousands



Held-to-Maturity:	38.0%	31.8%	32.0%
Available-for-Sale:	61.4%	67.8%	67.6%
Trading Securities⁽²⁾:	0.6%	0.4%	0.4%
% of Earning Assets:	18.7%	17.6%	16.8%
AOCI:	\$(74,256)	\$(73,366)	\$(63,254)

LOAN PORTFOLIO⁽¹⁾ CHANGES

\$ in thousands

Chart Legend	Category	As of 3/31/2024	As of 12/31/2024	As of 3/31/2025	Change QoQ	Change YoY
■	Commercial and industrial	\$ 575,259	\$ 666,727	\$ 658,446	-1.2%	14.5%
■	CRE - Construction, land and development	125,966	294,677	360,024	22.2%	185.8%
■	CRE - Multifamily	260,609	363,123	353,060	-2.8%	35.5%
■	CRE - Non-owner occupied	565,979	967,025	951,559	-1.6%	68.1%
■	CRE - Owner occupied	285,211	371,418	424,880	14.4%	49.0%
■	Agriculture	77,585	124,307	133,134	7.1%	71.6%
■	Residential real estate	879,033	1,161,135	1,165,427	0.4%	32.6%
■	Other consumer	29,833	44,122	38,953	-11.7%	30.6%
Total		\$ 2,799,475	\$ 3,992,534	\$ 4,085,483	2.3%	45.9%

QUARTERLY HIGHLIGHTS

- Total loans increased \$93 million, or 2.3%, from December 31, 2024.
- Quarter over quarter growth was mainly attributed to an increase in commercial loans, partially offset by a decrease in consumer loans.
- Total non-owner occupied and multifamily CRE loans, to total Bank risk-based capital⁽³⁾ was 253% as of March 31, 2025.
- The investment portfolio decreased \$28 million compared to December 31, 2024, largely due to paydowns and maturities of U.S. Treasuries and Agency non-MBS.

1. Additional loan portfolio breakdown available in appendix.

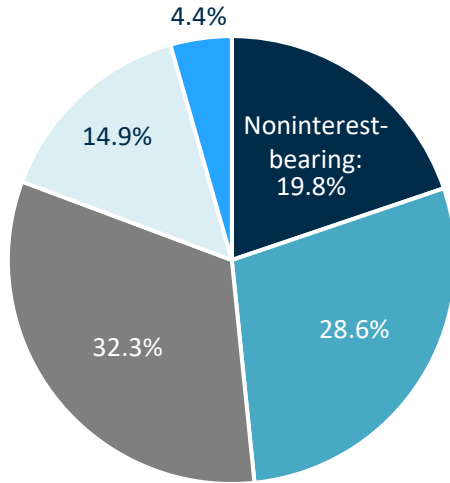
2. Other includes U.S. Treasury and Agencies, Agency Non-MBS, and trading securities which consist of mutual funds held for deferred compensation.

3. Alerus Financial, N.A. (Bank) total risk-based capital was \$516 million as of March 31, 2025.



DEPOSIT CHARACTERISTICS

MARCH 31, 2025 DEPOSIT PORTFOLIO (BY CATEGORY)

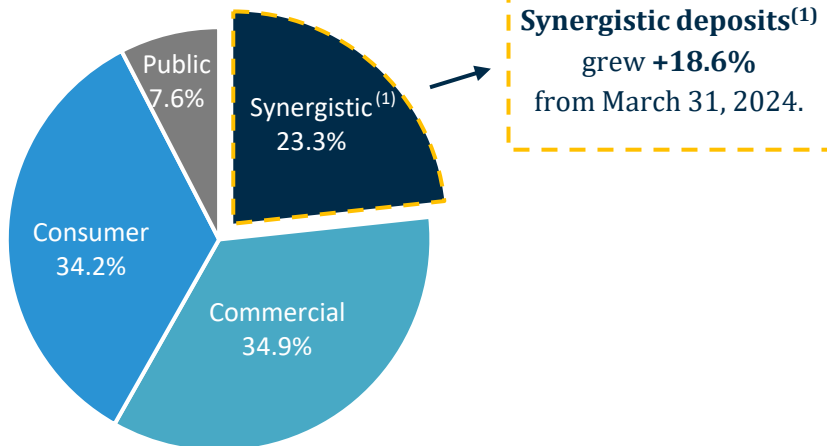


DEPOSIT PORTFOLIO CHANGES

\$ in thousands

Chart Legend	Category	As of 3/31/2024	As of 12/31/2024	As of 3/31/2025	Change QoQ	Change YoY
■	Noninterest-bearing	\$ 692,500	\$ 903,466	\$ 889,270	-1.6%	28.4%
■	Interest-bearing demand	938,751	1,220,173	1,283,031	5.2%	36.7%
■	Money market and savings	1,013,983	1,357,536	1,450,797	6.9%	43.1%
■	Time deposits	456,729	706,965	663,522	-6.1%	45.3%
■	HSA deposits	183,006	190,270	198,671	4.4%	8.6%
Total		\$ 3,284,969	\$ 4,378,410	\$ 4,485,291	2.4%	36.5%
Loan to deposits ratio		85.2%	91.2%	91.1%		

MARCH 31, 2025 DEPOSIT PORTFOLIO (BY CLIENT SEGMENT)



QUARTERLY HIGHLIGHTS

- Total deposits increased \$107 million, or 2.4%, from December 31, 2024.
- The loans to deposits ratio was 91.1% as of March 31, 2025, a decrease of 10 basis point from December 31, 2024.
- The increase in total deposits was due to expanded and new commercial deposit relationships and synergistic deposit growth.
- Synergistic deposits increased 7.5% from December 31, 2024.

BANKING SERVICES

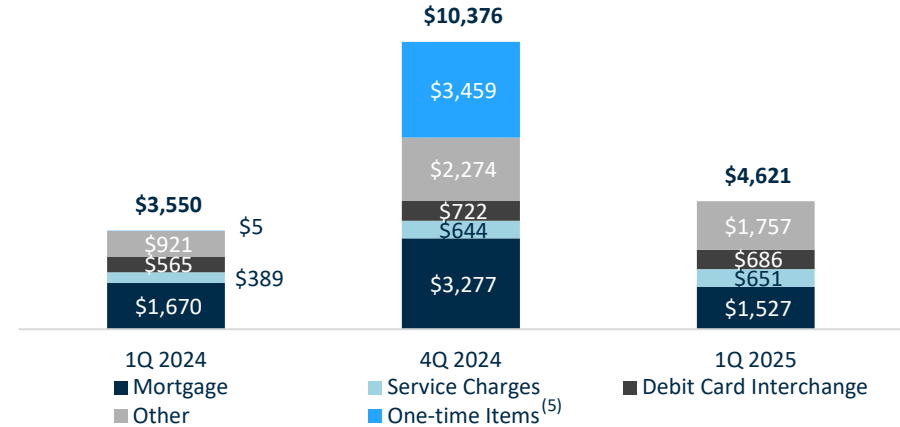
DIVISIONAL⁽¹⁾ INCOME STATEMENT

\$ in thousands

	1Q 2025	4Q 2024	1Q 2024
Net interest income	\$ 41,157	\$ 38,284	\$ 22,219
Provision for credit losses ⁽²⁾	863	11,992	-
Noninterest income ⁽³⁾	4,621	10,376	3,550
Total revenue	44,915	36,668	25,769
Noninterest expense ⁽⁴⁾	29,211	30,667	18,671
Net income before taxes:	\$ 15,704	\$ 6,001	\$ 7,098

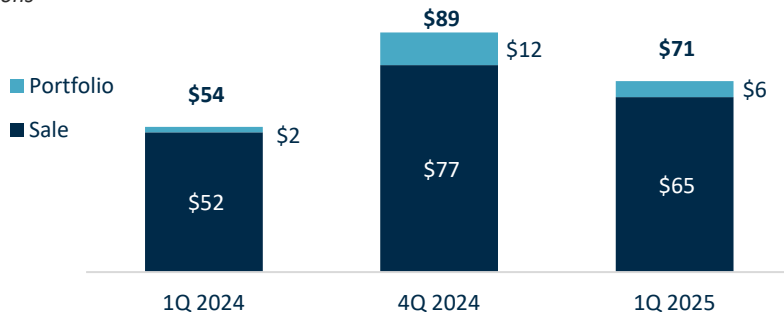
NONINTEREST INCOME⁽³⁾ BREAKDOWN

\$ in thousands



MORTGAGE HIGHLIGHTS

\$ in millions



Purchase:	94.8%	86.1%	83.5%
Refinance:	5.2%	13.9%	16.5%
Fair Value Change:	\$306	(\$170)	\$186

\$ in thousands

BANKING SERVICES QUARTERLY HIGHLIGHTS

- Banking services noninterest income decreased 55.5% from the fourth quarter of 2024.
- The decrease was primarily due to a gain on the sale of fixed assets related to the sale of one of our three Fargo, North Dakota offices that occurred in the fourth quarter 2024.
- Mortgage revenue for the first quarter of 2025 decreased \$1.8 million, or 53.4%, from the fourth quarter of 2024 due, in part, to a \$734 thousand decrease in the fair value of mortgage servicing rights.

1. Includes Corporate Administration income.

2. Includes \$7,772 thousand of HMNF day one provision for credit losses in 4Q 2024.

3. Banking noninterest income consists of service charges on deposit accounts, mortgage income, interchange income and other noninterest income.

4. Excludes HMNF acquisition-related expenses.

5. One-time items include the net gain on sale of premises and equipment of \$3.5 million in 4Q 2024 and \$5 thousand in 1Q 2024.

RETIREMENT AND BENEFIT SERVICES

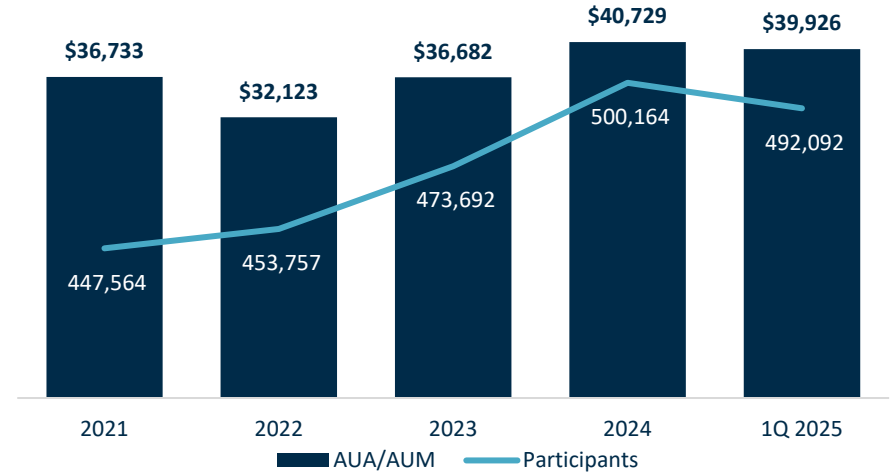
DIVISIONAL⁽¹⁾ INCOME STATEMENT

\$ in thousands

	1Q 2025	4Q 2024	1Q 2024
Recurring annual income	\$ 13,243	\$ 13,276	\$ 12,548
Transactional income	2,863	3,212	3,107
Total noninterest income	16,106	16,488	15,655
Noninterest expense	13,617	14,790	14,189
Net income before taxes:	\$ 2,489	\$ 1,698	\$ 1,466

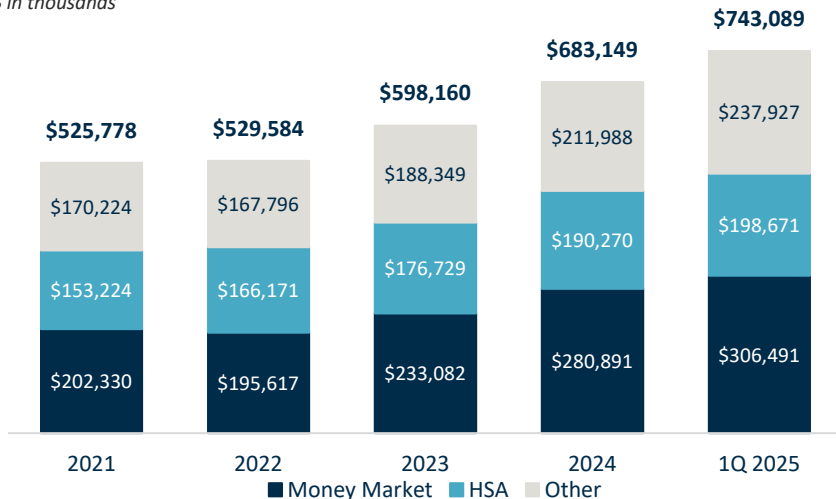
AUA / AUM AND PARTICIPANTS

\$ in millions



SYNERGISTIC DEPOSITS

\$ in thousands



QUARTERLY HIGHLIGHTS

- Retirement and Benefit Services revenue decreased 2.3% compared to the fourth quarter of 2024. The decrease was primarily driven by a decrease in asset-based and other fees.
- AUA / AUM decreased 2.0% from December 31, 2024, while outstanding plans on March 31, 2025 was 8,539.
- 61% of Retirement and Benefit Services revenue is tied to plans, participants, and activity while 39% of revenue is market sensitive.
- 52.5% of Retirement and Benefit Services synergistic deposits are indexed.
- HSA synergistic deposits had an average cost of funds of 10 bps for the first quarter of 2025.



WEALTH ADVISORY SERVICES

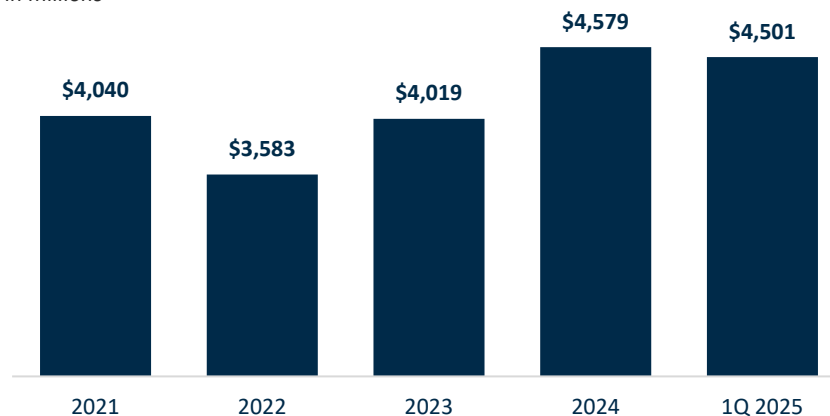
DIVISIONAL⁽¹⁾ INCOME STATEMENT

\$ in thousands

	1Q 2025	4Q 2024	1Q 2024
Asset management	5,761	\$ 5,974	\$ 5,256
Brokerage	534	651	366
Insurance and advisory	610	385	496
Total noninterest income	6,905	7,010	6,118
Noninterest expense	4,837	4,144	3,750
Net income before taxes:	\$ 2,068	\$ 2,866	\$ 2,368

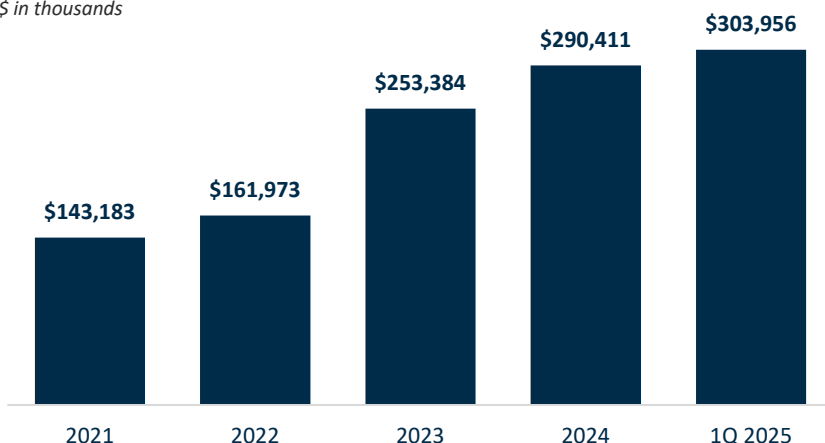
AUA / AUM

\$ in millions



SYNERGISTIC DEPOSITS

\$ in thousands



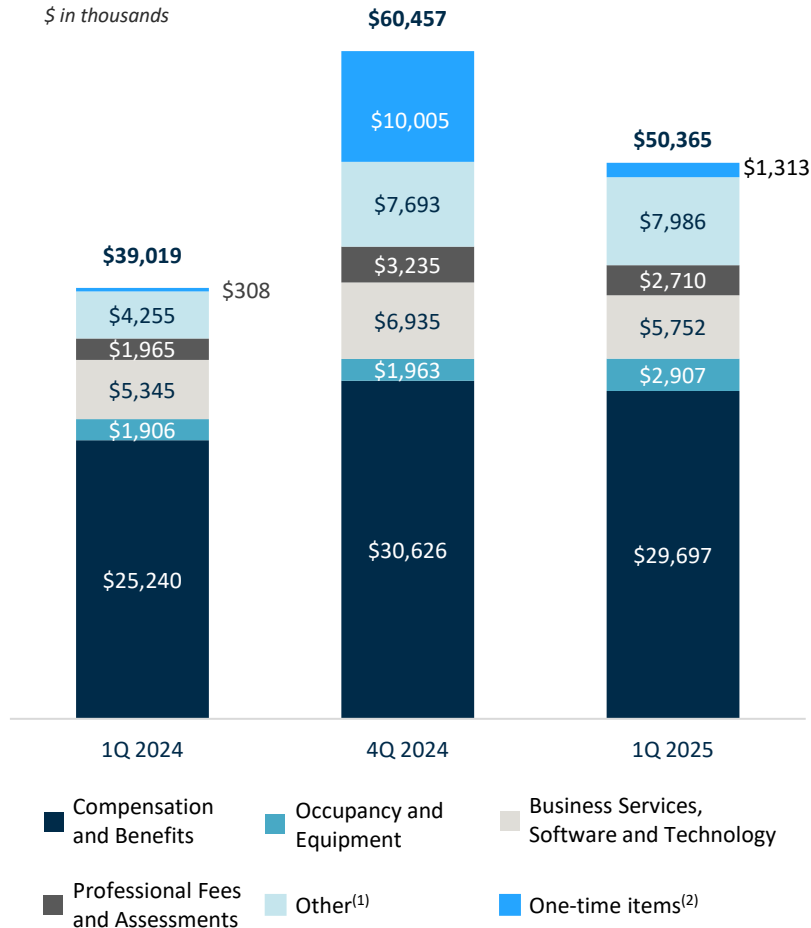
QUARTERLY HIGHLIGHTS

- Wealth advisory services revenue decreased 1.5% from the fourth quarter of 2024.
- AUA / AUM decreased 1.7% from December 31, 2024.
- Synergistic Wealth deposits grew 4.7% in the first quarter 2025 compared to December 31, 2024.
- 93.6% of Wealth Advisory Services synergistic deposits are indexed.



NONINTEREST EXPENSE

\$ in thousands



Noninterest Expense: -16.7% Linked Quarter
+29.1% Year-over-year

QUARTERLY HIGHLIGHTS

- Noninterest expense decreased \$10.1 million, or 16.7%, compared to the fourth quarter of 2024.
- The quarter over quarter decrease was primarily driven by the acquisition of HMNF and related expenses in the fourth quarter of 2024.
- The quarter over quarter decrease in business services, software and technology expense was primarily related to core processing and computer supply expense synergies realized from the HMNF transaction.

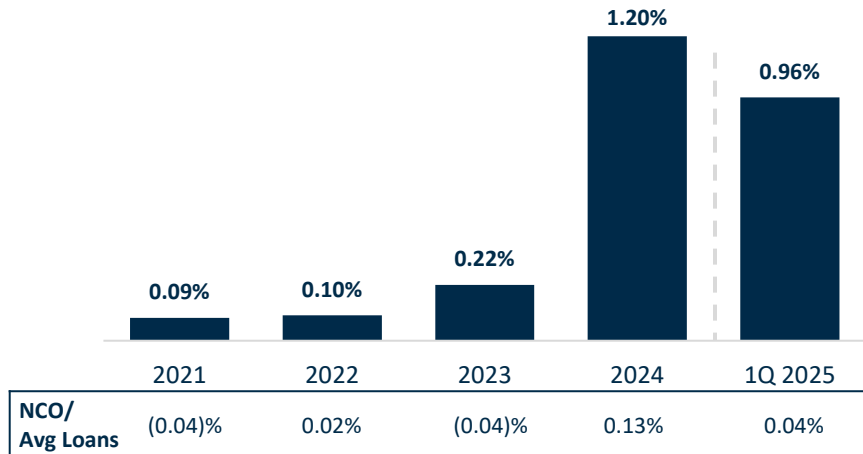
YEAR-OVER-YEAR HIGHLIGHTS

- Noninterest expense increased \$11.3 million, or 29.1%, compared to the first quarter of 2024.
- Expense increases were primarily driven by the increased size of the Company due to the HMNF acquisition that closed in the fourth quarter 2024.
- Increased labor costs, employee benefit costs, higher FDIC expenses, and intangible amortization expense also drove expenses higher.

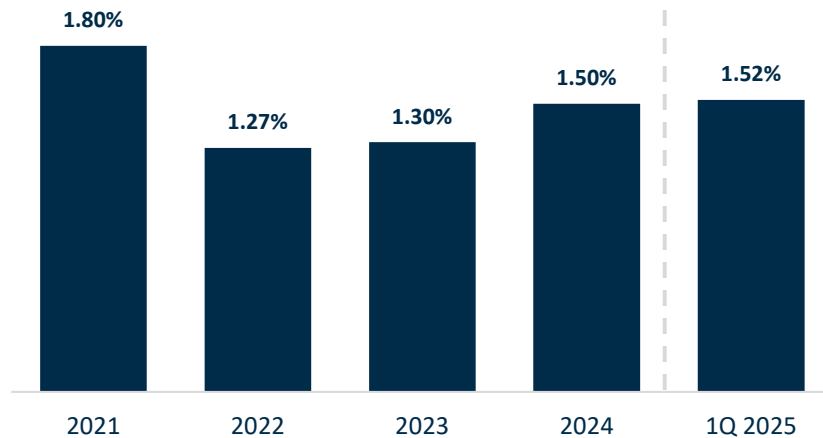


ASSET QUALITY AND RESERVE LEVELS

NPA / ASSETS %

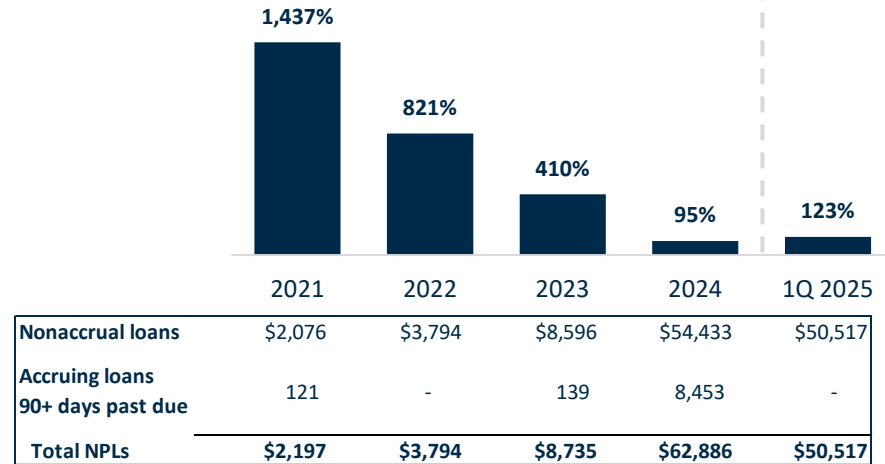


RESERVES / LOANS %



RESERVES OVER NPL %

\$ in thousands

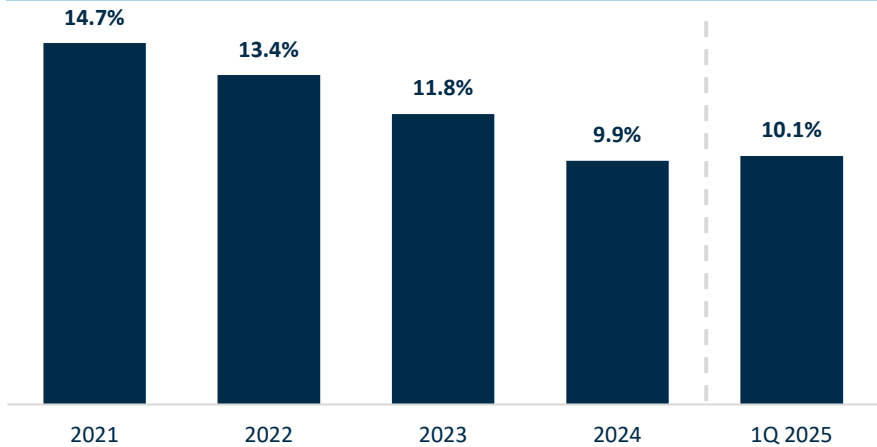


HIGHLIGHTS

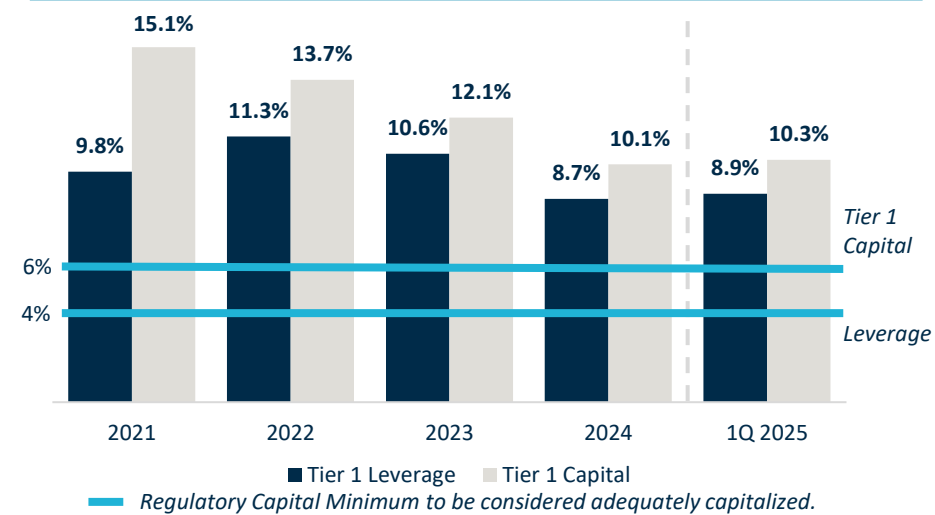
- For the first quarter of 2025, the Company had net charge-offs of \$0.4 million which resulted in net charge-offs to average loans of 4 bps in the quarter.
- The reserves to total loans ratio was 1.52% at March 31, 2025, an increase of 2 bps from December 31, 2024.
- Total nonperforming assets were \$51.0 million as of March 31, 2025, a decrease of \$11.9 million from December 31, 2024.
- Recorded a provision for credit losses of \$0.9 million for the first quarter of 2025. The provision for credit losses was primarily driven by loan growth in CRE construction, land and development loans.

CAPITAL AND SOURCES OF LIQUIDITY

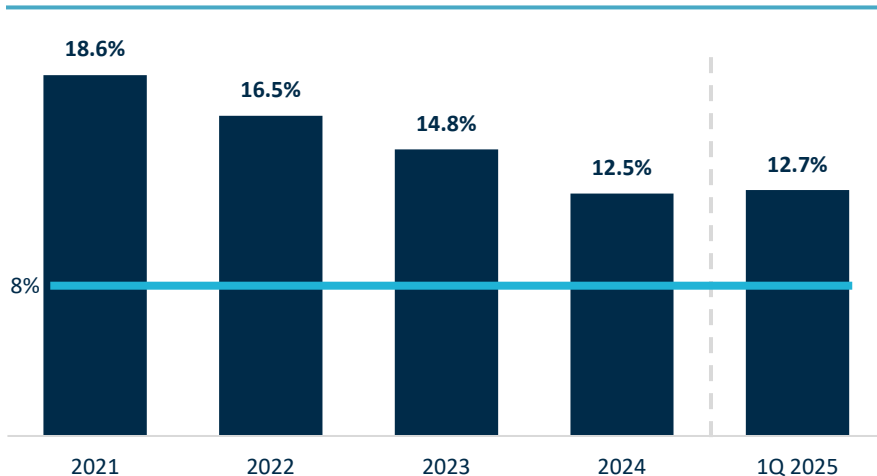
COMMON EQUITY TIER 1



TIER 1 CAPITAL/TIER 1 LEVERAGE RATIOS



TOTAL RISK BASED CAPITAL



LIQUIDITY

\$ in thousands

Total assets	\$ 5,339,620
Cash and cash equivalents	82,979
Unencumbered securities AFS	280,880
Overcollateralized securities pledging positions - AFS	46,299
Total On Balance Sheet Liquidity⁽¹⁾	410,158
FHLB borrowing capacity	1,255,473
FRB Discount Window Capacity	49,170
Fed funds lines	127,000
Brokered CD capacity ⁽²⁾	1,042,295
Total Off Balance Sheet Liquidity	2,473,938
Total Liquidity as of March 31, 2025	\$ 2,884,096
Total Liquidity (Ex-brokered CD Capacity)	\$ 1,841,801

OUTLOOK

	<u>Full Year</u>	
	Comparison	2025 Guidance
Loans <i>End of period</i>	\$4.0b <i>12/31/2024</i>	»» Up mid single digits
Deposits <i>End of period</i>	\$4.4b <i>12/31/2024</i>	»» Up low single digits
NIM	2.56% <i>2024</i>	»» 3.20 – 3.30%
Noninterest Income	\$114.9m <i>2024</i>	»» Stable
Adjusted Efficiency Ratio⁽¹⁾	73.4% <i>2024</i>	»» < 68.0%



KEY TAKEAWAYS

A strong start to 2025 with a full quarter of HMNF integrated

EARNINGS

Increased earnings on the back of robust NII growth

- Net interest margin expansion of 21 bps compared to the fourth quarter of 2024
- Adjusted ROA⁽¹⁾ of 1.10% in the first quarter of 2025
- Adjusted EPS⁽¹⁾ increased \$0.11 compared to the prior quarter

BALANCE SHEET

Continued expansion of our balance sheet has bolstered our franchise

- \$93 million, or 2.3%, growth in loans compared to December 31, 2024
- \$107 million, or 2.4%, increase in deposits compared to December 31, 2024
- 91.1% loan to deposit ratio

ASSET & CAPITAL STRENGTH


Robust capital, reserve levels, asset quality, and diversification keep us well positioned

- Total reserves to loans of 1.52%
- CET1 of 10.1%; well above bank regulatory requirements
- Book value per share of \$20.27, an increase of \$0.72 from the prior quarter

VALUE CREATION

We remain focused on the long-term success of the Company

- Recognized a robust first quarter with HMNF fully integrated
- Returned \$5.1 million to stockholders through dividends
- Continued momentum in returning the Company to top tier performance

A photograph of a modern glass skyscraper with a grid-like facade of dark glass panels and light-colored metal or concrete frames. The building is curved and reflects the surrounding city. Two signs with the word 'ALERUS' in white capital letters are mounted on the facade. The scene is set in an urban environment with a street and other buildings visible in the background. A dark blue banner is overlaid at the top right, and a larger dark blue banner is at the bottom containing the word 'APPENDIX'.

*Office in Downtown
Minneapolis, Minnesota*

APPENDIX

DIVISIONAL INCOME STATEMENT

(\$ dollars in thousands)

Quarter ended March 31, 2025

	Banking Services	Retirement and Benefit Services	Wealth Advisory Services	Corporate Administration	Consolidated
Net interest income	\$ 41,807	\$ -	\$ -	\$ (650)	\$ 41,157
Provision for loan losses	863	-	-	-	863
Noninterest income ⁽²⁾	4,648	16,106	6,905	(27)	27,632
Noninterest expense	29,211	13,617	4,837	2,700	50,365
Net income before taxes	\$ 16,381	\$ 2,489	\$ 2,068	\$ (3,377)	\$ 17,561

Quarter ended December 31, 2024

	Banking Services	Retirement and Benefit Services	Wealth Advisory Services	Corporate Administration	Consolidated
Net interest income	\$ 38,949	\$ -	\$ -	\$ (665)	\$ 38,284
Provision for loan losses ⁽¹⁾	11,992	-	-	-	11,992
Noninterest income ⁽²⁾	6,907	16,488	7,010	3,469	33,874
Noninterest expense	30,667	14,790	4,144	10,856	60,457
Net income before taxes	\$ 3,197	\$ 1,698	\$ 2,866	\$ (8,052)	\$ (291)

Quarter ended March 31, 2024

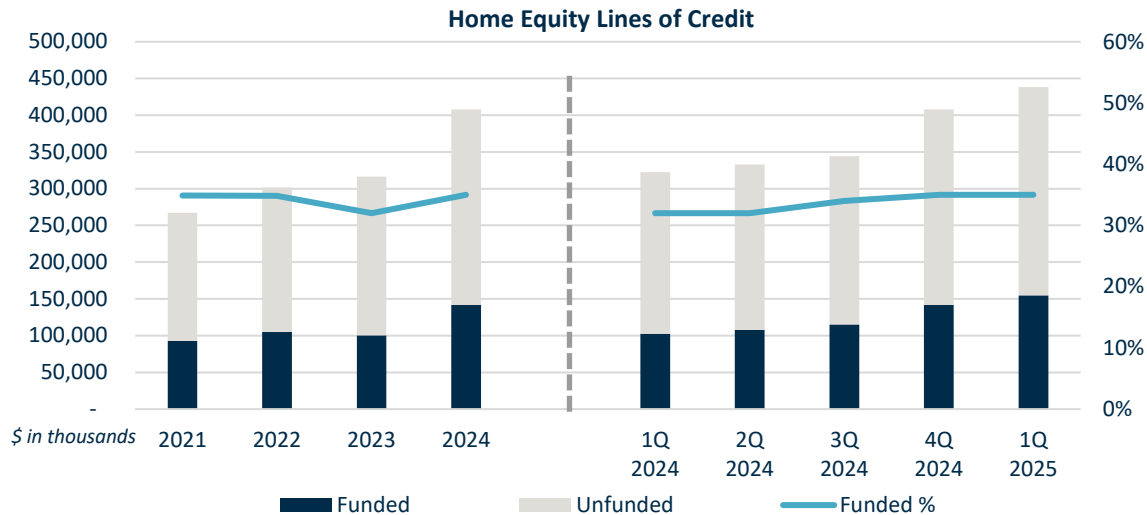
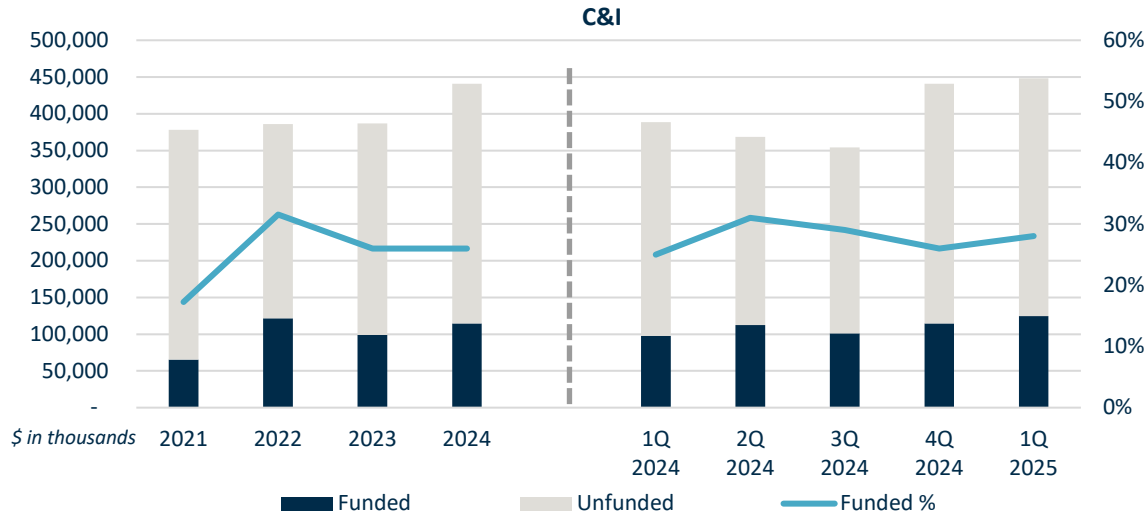
	Banking Services	Retirement and Benefit Services	Wealth Advisory Services	Corporate Administration	Consolidated
Net interest income	\$ 22,897	\$ -	\$ -	\$ (678)	\$ 22,219
Provision for loan losses	-	-	-	-	-
Noninterest income ⁽²⁾	3,489	15,655	6,118	61	25,323
Noninterest expense	18,671	14,189	3,750	2,409	39,019
Net income before taxes	\$ 7,715	\$ 1,466	\$ 2,368	\$ (3,026)	\$ 8,523

LOAN PORTFOLIO BREAKDOWN

	March 31, 2025		December 31, 2024	
	Balance	Percent of Portfolio	Balance	Percent of Portfolio
<i>(\$ in thousands)</i>				
Commercial and industrial:				
General business	\$ 329,879	8.1%	\$ 340,702	8.5%
Services	177,036	4.3%	177,813	4.5%
Retail trade	87,002	2.1%	88,105	2.2%
Manufacturing	64,529	1.6%	60,107	1.5%
Total commercial and industrial	658,446	16.1%	666,727	16.7%
Commercial real estate:				
Construction, land and development	360,024	8.8%	294,677	7.4%
Multifamily	353,060	8.6%	363,123	9.1%
<i>Non-owner occupied</i>				
Office	165,914	4.1%	168,170	4.2%
Industrial	171,259	4.2%	169,391	4.2%
Retail	149,250	3.7%	154,325	3.9%
Hotel	170,497	4.2%	170,982	4.3%
Medical Office	166,912	4.1%	139,939	3.5%
Medical or nursing facility	84,873	2.1%	110,164	2.8%
Other commercial real estate	42,854	0.9%	54,054	1.3%
Total non-owner occupied	951,559	23.3%	967,025	24.2%
Owner Occupied	424,880	10.4%	371,418	9.3%
Total commercial real estate	2,089,523	51.1%	1,996,243	50.0%
Agricultural:				
Land	68,894	1.7%	61,299	1.5%
Production	64,240	1.6%	63,008	1.6%
Total agricultural	133,134	3.3%	124,307	3.1%
Consumer				
Residential real estate first lien	907,534	22.2%	921,019	23.1%
Residential real estate construction	38,553	0.9%	33,547	0.8%
Residential real estate HELOC	175,600	4.3%	162,509	4.1%
Residential real estate junior lien	43,740	1.1%	44,060	1.1%
Other Consumer	38,953	1.0%	44,122	1.1%
Total consumer	1,204,380	29.5%	1,205,257	30.2%
Total loans	\$ 4,085,483	100.0%	\$ 3,992,534	100.0%



LINE OF CREDIT UTILIZATION



ALLOWANCE FOR CREDIT LOSSES ON LOANS

Changes in the ACL for Loans by Portfolio Segment

	Three months ended March 31, 2025				
	Beginning Balance	Provision for Credit Losses ⁽¹⁾	Loan Charge-offs	Loan Recoveries	Ending Balance
<i>(\$ in thousands)</i>					
Commercial:					
Commercial and industrial	\$ 8,170	\$ (311)	\$ (169)	\$ 270	\$ 7,960
<i>Commercial real estate</i>					
Construction, land and development	16,277	2,092	—	—	18,369
Multifamily	4,716	33	—	—	4,749
Non-owner occupied	16,513	(171)	—	—	16,342
Owner occupied	3,226	275	—	11	3,512
Total commercial real estate	40,732	2,229	—	11	42,972
<i>Agricultural</i>					
Land	597	6	—	—	603
Production	631	270	—	12	913
Total Agriculture	1,228	276	—	12	1,516
Total commercial	50,130	2,194	(169)	293	52,448
Consumer:					
<i>Residential real estate</i>					
First lien	6,921	175	(54)	—	7,042
Construction	357	110	—	—	467
HELOC	1,339	91	(250)	—	1,180
Junior lien	742	(3)	(300)	—	439
Total residential real estate	9,359	373	(604)	—	9,128
Other consumer	440	(160)	(39)	112	353
Total Consumer	9,799	213	(643)	112	9,481
Total	\$ 59,929	\$ 2,407	\$ (812)	\$ 405	\$ 61,929



ALLOWANCE FOR CREDIT LOSSES ON LOANS

Allocation by Loan Portfolio Segment

	March 31, 2025		December 31, 2024	
	Allocated Allowance	Percentage of segment allowance to segment loans	Allocated Allowance	Percentage of segment allowance to segment loans
<i>(\$ in thousands)</i>				
Commercial and industrial	\$ 7,960	1.21%	\$ 8,170	1.23%
CRE - Construction, land and development	18,369	5.10%	16,277	5.52%
CRE - Multifamily	4,749	1.35%	4,716	1.30%
CRE - Non-owner occupied	16,342	1.72%	16,513	1.71%
CRE - Owner occupied	3,512	0.83%	3,226	0.87%
Agricultural - Land	603	0.88%	597	0.97%
Agricultural - Production	913	1.42%	631	1.00%
Residential real estate first lien	7,042	0.78%	6,921	0.75%
Residential real estate construction	467	1.21%	357	1.06%
Residential real estate HELOC	1,180	0.67%	1,339	0.82%
Residential real estate junior lien	439	1.00%	742	1.68%
Other Consumer	353	0.91%	440	1.00%
Total loans	\$ 61,929	1.52%	\$ 59,929	1.50%

FINANCIAL HIGHLIGHTS

(\$ in thousands, except where otherwise noted)	Quarterly				
	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Total Assets	\$ 4,338,093	\$ 4,358,623	\$ 4,084,640	\$ 5,261,673	\$ 5,339,620
Total Loans	2,799,475	2,915,792	3,032,343	3,992,534	4,085,483
Total Deposits	3,284,969	3,298,575	3,323,550	4,378,410	4,485,291
Tangible Common Equity ¹	309,018	311,933	326,517	365,894	387,426
Net Income	\$ 6,432	\$ 6,208	\$ 5,207	\$ (66)	\$ 13,315
ROAA (%)	0.63	0.58	0.48	—	1.02
ROATCE(%) ¹	9.78	9.40	7.83	2.38	16.50
Net Interest Margin (FTE) (%)	2.30	2.39	2.23	3.20	3.41
Efficiency Ratio (FTE) (%) ¹	78.88	72.50	80.29	79.47	68.76
Non-Int. Income/Op. Rev. (%)	53.26	53.28	55.72	46.94	40.17
Earnings per common share - diluted	\$ 0.32	\$ 0.31	\$ 0.26	\$ -	\$ 0.52
Total Equity/Total Assets (%)	8.57	8.56	9.46	9.42	9.63
Tang. Cmn. Equity/Tang. Assets (%) ¹	7.23	7.26	8.11	7.13	7.43
Loans/Deposits (%)	85.22	88.40	91.24	91.19	91.09
NPLs/Loans (%)	0.26	0.95	1.58	1.58	1.24
NPAs/Assets (%)	0.17	0.63	1.18	1.20	0.96
Allowance/NPLs (%)	498.08	138.79	81.50	95.30	122.59
Allowance/Loans (%)	1.31	1.31	1.29	1.50	1.52
NCOs/Average Loans (%)	0.01	0.36	0.04	0.13	0.04



FINANCIAL HIGHLIGHTS

(\$ in thousands, except where otherwise noted)	Annual					20 - '24
	2020	2021	2022	2023	2024	CAGR
Total Assets	\$ 3,013,771	\$ 3,392,691	\$ 3,779,637	\$ 3,907,713	\$ 5,261,673	14.9%
Total Loans	1,979,375	1,758,020	2,443,994	2,759,583	3,992,534	19.2%
Total Deposits	2,571,993	2,920,551	2,915,484	3,095,611	4,378,410	14.2%
Tangible Common Equity ¹	274,043	307,663	287,330	305,186	365,894	7.5%
Net Income	\$ 44,675	\$ 52,681	\$ 40,005	\$ 11,696	\$ 17,780	
ROAA (%)	1.61	1.66	1.14	0.31	0.39	
ROATCE(%) ¹	17.74	18.89	15.09	5.37	7.12	
Net Interest Margin (FTE) (%)	3.22	2.90	3.04	2.46	2.56	
Efficiency Ratio (FTE) (%) ¹	68.40	70.02	72.86	85.85	77.92	
Non-Int. Income/Op. Rev. (%)	64.05	62.86	52.72	47.74	51.78	
Earnings per common share - diluted	2.52	2.97	2.10	0.58	0.83	
Total Equity/Total Assets (%)	10.96	10.59	9.44	9.45	9.42	
Tang. Comn. Equity/Tang. Assets (%) ¹	9.27	9.21	7.74	7.94	7.13	
Loans/Deposits (%)	76.96	60.19	83.83	89.15	91.19	
NPLs/Loans (%)	0.26	0.12	0.16	0.32	1.58	
NPAs/Assets (%)	0.17	0.09	0.10	0.22	1.20	
Allowance/NPLs (%)	674.13	1,437.05	820.93	410.34	95.30	
Allowance/Loans (%)	1.73	1.80	1.27	1.30	1.50	
NCOs/Average Loans (%)	0.03	(0.04)	0.02	(0.04)	0.13	



NON-GAAP DISCLOSURE RECONCILIATION

(\$ in thousands, except where otherwise noted)	Quarterly				
	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
Tangible common equity to tangible assets					
Total common stockholders' equity	\$ 371,635	\$ 373,226	\$ 386,486	\$ 495,410	\$ 514,232
Less: Goodwill	46,783	46,783	46,783	85,634	85,634
Less: Other intangible assets	15,834	14,510	13,186	43,882	41,172
Tangible common equity (a)	309,018	311,933	326,517	365,894	387,426
Total assets					
Total assets	4,338,093	4,358,623	4,084,640	5,261,673	5,339,620
Less: Goodwill	46,783	46,783	46,783	85,634	85,634
Less: Other intangible assets	15,834	14,510	13,186	43,882	41,172
Tangible assets (b)	4,275,476	4,297,330	4,024,671	5,132,157	5,212,814
Tangible common equity to tangible assets (a)/(b)	7.23%	7.26%	8.11%	7.13%	7.43%
Tangible common equity per common share					
Total stockholders' equity	\$ 371,635	\$ 373,226	\$ 386,486	\$ 495,410	\$ 514,232
Less: Goodwill	46,783	46,783	46,783	85,634	85,634
Less: Other intangible assets	15,834	14,510	13,186	43,882	41,172
Tangible common equity (c)	309,018	311,933	326,517	365,894	387,426
Common shares outstanding (d)	19,777	19,778	19,790	25,345	25,366
Tangible common equity per common share (c)/(d)	\$ 15.63	\$ 15.77	\$ 16.50	\$ 14.44	\$ 15.27
Return on average tangible common equity					
Net income	\$ 6,432	\$ 6,208	\$ 5,207	\$ (66)	\$ 13,315
Add: Intangible amortization expense (net of tax)	1,046	1,046	1,046	2,215	2,141
Net income, excluding intangible amortization (e)	7,478	7,254	6,253	2,149	15,456
Average total equity					
Average total equity	367,248	369,217	375,229	478,092	499,224
Less: Average goodwill	46,783	46,783	46,783	84,393	85,634
Less: Average other intangible assets (net of tax)	13,018	11,969	10,933	34,107	33,718
Average tangible common equity (f)	307,447	310,465	317,513	359,592	379,872
Return on average tangible common equity (e)/(f)	9.78%	9.40%	7.83%	2.38%	16.50%
Efficiency ratio					
Noninterest expense	\$ 39,019	\$ 38,752	\$ 42,447	\$ 60,457	\$ 50,365
Less: Intangible amortization expense	1,324	1,324	1,324	2,804	2,710
Adjusted noninterest expense for efficiency ratio (g)	37,695	37,428	41,123	57,653	47,655
Net interest income					
Net interest income	22,219	24,001	22,542	38,284	41,157
Noninterest income					
Noninterest income	25,323	27,371	28,363	33,874	27,632
Tax-equivalent adjustment					
Tax-equivalent adjustment	246	255	314	385	520
Total tax-equivalent revenue (h)	47,788	51,627	51,219	72,543	69,309
Efficiency ratio (g)/(h)	78.88%	72.50%	80.29%	79.47%	68.76%

NON-GAAP DISCLOSURE RECONCILIATION

(\$ in thousands, except where otherwise noted)					
	2020	2021	Annual 2022	2023	2024
Tangible common equity to tangible assets					
Total common stockholders' equity	\$ 330,163	\$ 359,403	\$ 356,872	\$ 369,127	\$ 495,410
Less: Goodwill	30,201	31,490	47,087	46,783	85,634
Less: Other intangible assets	25,919	20,250	22,455	17,158	43,882
Tangible common equity (a)	274,043	307,663	287,330	305,186	365,894
Total assets	3,013,771	3,392,691	3,779,637	3,907,713	5,261,673
Less: Goodwill	30,201	31,490	47,087	46,783	85,634
Less: Other intangible assets	25,919	20,250	22,455	17,158	43,882
Tangible assets (b)	2,957,651	3,340,951	3,710,095	3,843,772	5,132,157
Tangible common equity to tangible assets (a)/(b)	9.27%	9.21%	7.74%	7.94%	7.13%
Tangible common equity per common share					
Total stockholders' equity	\$ 330,163	\$ 359,403	\$ 356,872	\$ 369,127	\$ 495,410
Less: Goodwill	30,201	31,490	47,087	46,783	85,634
Less: Other intangible assets	25,919	20,250	22,455	17,158	43,882
Tangible common equity (c)	274,043	307,663	287,330	305,186	365,894
Common shares outstanding (d)	17,125	17,213	19,992	19,734	25,345
Tangible common equity per common share (c)/(d)	\$ 16.00	\$ 17.87	\$ 14.37	\$ 15.46	\$ 14.44
Return on average tangible common equity					
Net income	\$ 44,675	\$ 52,681	\$ 40,005	\$ 11,696	\$ 17,780
Add: Intangible amortization expense (net of tax)	3,129	3,460	3,756	4,184	5,353
Net income, excluding intangible amortization (e)	47,804	56,141	43,761	15,880	23,133
Average total equity	310,208	346,059	346,355	358,268	397,738
Less: Average goodwill	27,439	30,385	39,415	46,959	56,237
Less: Average other intangible assets (net of tax)	13,309	18,548	17,018	15,624	17,534
Average tangible common equity (f)	269,460	297,126	289,922	295,685	323,967
Return on average tangible common equity (e)/(f)	17.74%	18.89%	15.09%	5.37%	7.12%
Efficiency Ratio					
Noninterest expense	\$ 163,799	\$ 168,909	\$ 158,770	\$ 150,157	\$ 180,675
Less: Intangible amortization expense	3,961	4,380	4,754	5,296	6,776
Adjusted noninterest expense (i)	159,838	164,529	154,016	144,861	173,899
Net interest income	83,846	87,099	99,729	87,839	107,045
Noninterest income	149,371	147,387	111,223	80,229	114,930
Tax-equivalent adjustment	455	492	429	671	1,202
Total tax-equivalent revenue(j)	233,672	234,978	211,381	168,739	223,177
Efficiency ratio (i)/(j)	68.40%	70.02%	72.86%	85.85%	77.92%

NON-GAAP DISCLOSURE RECONCILIATION

(\$ in thousands, except for per share data and where otherwise noted)	Annual						Average
	2019	2020	2021	2022	2023	2024	
Adjusted net income excluding net gains (losses) on investment securities							
Net Income	\$ 29,540	\$ 44,675	\$ 52,681	\$ 40,005	\$ 11,696	\$ 17,780	
Less: Net gains (losses) on investment securities	-	-	-	-	(19,468)	-	
Adjusted net income excluding net gains (losses) on investment securities ⁽¹⁾ (a)	29,540	44,675	52,681	40,005	31,164	17,780	
Adjusted return on average equity							
Average total equity (b)	231,084	310,208	346,059	346,355	358,268	397,738	
Adjusted return on average equity (a)/(b)	12.78%	14.40%	15.22%	11.55%	8.70%	4.47%	11.19%
Adjusted return on average assets							
Average total assets (c)	2,211,993	2,775,140	3,178,820	3,500,655	3,817,017	4,503,483	
Adjusted return on average assets (a)/(c)	1.34%	1.61%	1.66%	1.14%	0.82%	0.39%	1.16%



NON-GAAP DISCLOSURE RECONCILIATION

	Quarterly		
	1Q 2024	4Q 2024	1Q 2025
<i>(\$ in thousands, except for per share data and where otherwise noted)</i>			
Pre-provision net revenue			
Add: Net interest income	\$ 22,219	\$ 38,284	\$ 41,157
Add: Noninterest income	25,323	33,874	27,632
Less: Noninterest expense	39,019	60,457	50,365
Pre-provision net revenue	<u>8,523</u>	<u>11,701</u>	<u>18,424</u>
Adjusted noninterest income			
Noninterest income	\$ 25,323	\$ 33,874	\$ 27,632
Less: Adjusted noninterest income items			
Net gain on sale of premises and equipment	5	3,459	—
Total adjusted noninterest income items (a)	<u>5</u>	<u>3,459</u>	<u>—</u>
Adjusted noninterest income (b)	<u>25,318</u>	<u>30,415</u>	<u>27,632</u>
Adjusted noninterest expense			
Noninterest expense	\$ 39,019	\$ 60,457	\$ 50,365
Less: Adjusted noninterest expense items			
HMNF acquisition-related expenses	28	7,729	286
Severance and signing bonus expense ⁽¹⁾	280	2,276	1,027
Total adjusted noninterest expense items (c)	<u>308</u>	<u>10,005</u>	<u>1,313</u>
Adjusted noninterest expense (d)	<u>38,711</u>	<u>50,452</u>	<u>49,052</u>
Adjusted pre-provision net revenue			
Add: Net interest income	\$ 22,219	\$ 38,284	\$ 41,157
Add: Adjusted noninterest income (b)	25,318	30,415	27,632
Less: Adjusted noninterest expense (d)	38,711	50,452	49,052
Adjusted pre-provision net revenue	<u>8,826</u>	<u>18,247</u>	<u>19,737</u>
Adjusted Efficiency ratio			
Adjusted noninterest expense (d)	\$ 38,711	\$ 50,452	\$ 49,052
Less: Intangible amortization expense	1,324	2,804	2,710
Adjusted noninterest expense for efficiency ratio (e)	<u>37,387</u>	<u>47,648</u>	<u>46,342</u>
Total tax-equivalent revenue			
Add: Net interest income	22,219	38,284	41,157
Add: Adjusted noninterest income (b)	25,318	30,415	27,632
Add: Tax-equivalent adjustment	246	385	520
Total tax-equivalent revenue (f)	<u>47,783</u>	<u>69,084</u>	<u>69,309</u>
Adjusted efficiency ratio (e)/(f)	<u>78.24%</u>	<u>68.97%</u>	<u>66.86%</u>



NON-GAAP DISCLOSURE RECONCILIATION

(\$ in thousands, except for per share data and where otherwise noted)

Lettered items are continued from the prior slide

	Quarterly		
	1Q 2024	4Q 2024	1Q 2025
Adjusted net income			
Net Income	\$ 6,432	\$ (66)	\$ 13,315
Less: Adjusted noninterest income items (net of tax) ⁽¹⁾ (a)	4	2,733	-
Add: HMNF Day One Provision for Credit Losses (net of tax) ⁽¹⁾	-	6,140	-
Add: Adjusted noninterest expense items (net of tax) ⁽¹⁾ (c)	243	7,904	1,037
Adjusted net income (g)	6,671	11,245	14,352
Adjusted earnings per share			
Adjusted net income (g)	\$ 6,671	\$ 11,245	\$ 14,352
Less: Dividends and undistributed earnings allocated to participating securities	40	(54)	99
Adjusted net income available to common (h)	6,631	11,299	14,253
Diluted average common shares outstanding (i)	19,986	25,144	25,653
Adjusted earnings per share (h) / (i)	0.33	0.45	0.56
Adjusted return on average assets			
Average total assets (j)	4,139,053	5,272,777	5,272,319
Adjusted return on average assets (g)/(j)	0.65%	0.85%	1.10%
Adjusted return on average tangible common equity			
Adjusted net income (g)	\$ 6,671	\$ 11,245	\$ 14,352
Add: Intangible amortization expense (net of tax) ⁽¹⁾	1,046	2,215	2,141
Adjusted net income, excluding intangible amortization (k)	7,717	13,460	16,493
Average total equity	367,248	478,092	499,224
Less: Average goodwill	46,783	84,393	85,634
Less: Average other intangible assets (net of tax) ⁽¹⁾	13,018	34,107	33,718
Average tangible common equity (l)	307,447	359,592	379,872
Adjusted return on average tangible common equity (k)/(l)	10.10%	14.89%	17.61%

