Alerus

INVESTOR PRESENTATION

OCTOBER 2020

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 the future of 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 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: the effects of the COVID-19 pandemic, including its effects on the economic environment, our clients and our operations, as well as any changes to federal, state or local government laws, regulations or orders in connection with the pandemic; our ability to successfully manage credit risk and maintain an adequate level of allowance for loan losses; new or revised accounting standards, including as a result of the future implementation of the new Current Expected Credit Loss Standard; business and economic conditions generally and in the financial services industry, nationally and within our market areas; the overall health of the local and national real estate market; concentrations within our loan portfolio; the level of nonperforming assets on our balance sheet; our ability to implement our organic and acquisition growth strategies; 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 information security controls or cybersecurity related incidents; 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 technological change in the financial services industry; increased competition in the financial services industry; our ability to successfully manage liquidity risk; the effectiveness of our risk management framework; the commencement and outcome of litigation and other legal proceedings and regulatory actions against us or to which we may become subject; potential impairment to the goodwill we recorded in connection with our past acquisitions; the extensive regulatory framework that applies to us; the impact of recent and future legislative and regulatory changes; interest rate risks associated with our business; fluctuations in the values of the securities held in our securities portfolio; governmental monetary, trade and fiscal policies; severe weather, natural disasters, widespread disease or pandemics, such as the COVID-19 global pandemic, acts of war or terrorism or other adverse external events; any material weaknesses in our internal control over financial reporting; developments and uncertainty related to the future use and availability of some reference rates, such as the London Interbank Offered Rate, as well as other alternative rates; our success at managing 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 Securities and Exchange Commission.

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.

COVID-19 RESPONSE

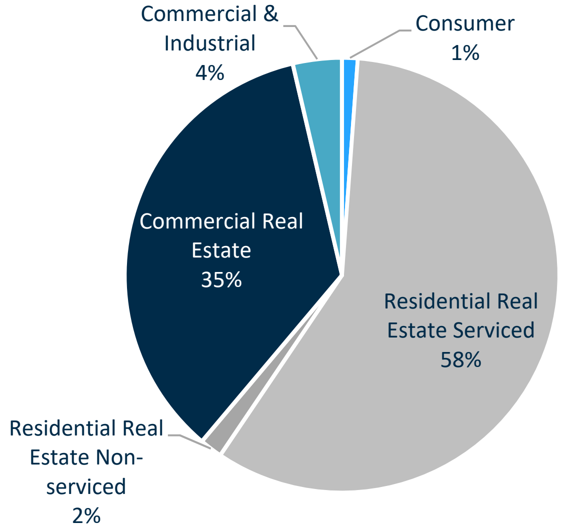
COVID-19 RESPONSE SUMMARY

PROACTIVELY RESPONDING WITH AGILITY AND SUPPORT

LEADING DURING THE PANDEMIC CRISIS	▪ Activated Business Continuity Planning team and Pandemic Policy; frequent meetings with key leadership teams ▪ Response guided by safety of employees and clients; being a good corporate citizen; and encouraging digital use ▪ Benefit of past crisis experience; 1997 historic Flood and Fire in Grand Forks, ND
TAKING CARE OF EMPLOYEES	▪ Early adoption and continuation of self-quarantine recommendations and restricting non-essential business travel ▪ 82% of staff transitioned to working remote in 1 week; 85% remain working remote ▪ Established On-Site Pay for staff in offices; introduced Relief Pay for office closures or daycare/school closures ▪ Frequent all employee virtual calls hosted by C*Suite; 75% of staff attends live; completed 5 in Q3
LEVERAGING INFRASTRUCTURE INVESTMENTS	▪ Built integrated access between client documents and CRM, allowing team to quickly access client information ▪ Robotic Process Automation: continue to add robots to automate operational processes ▪ Leveraged DocuSign to develop pre-filled, dynamic Paycheck Protection Program Forgiveness Application ▪ Simplified client experience, moving various loan, wealth management, and investment documents to DocuSign
INCREASED DIGITAL ENGAGEMENT	▪ Built upon holistic financial picture for consumer clients by integrating wealth management and brokerage accounts held with Alerus into My Alerus, simplifying the online account experience down to one login ▪ Moved all retirement statements and confirmations to electronic format as the default, further driving online engagement
SERVING IN THE BEST INTEREST OF CLIENTS	▪ Paycheck Protection Program: helped over 1,632 new and existing clients secure ~ $364 million in funding relief ▪ Ongoing virtual webinars to provide guidance and help clients with their financial issues on various topics ▪ Waived fees on loan extensions, loan payment deferrals, or early CD withdrawals due to COVID-19 related hardship ▪ Proactively helping participants navigate retirement distributions or other lending options
THE NEW NORMAL	▪ Continue to encourage virtual business; reopening approach is guided by market conditions ▪ **ND:** lobbies closed in mid-March, open by appointment only in early June, lobbies reopened in mid-June, markets were never subject to stay at home order and markets are widely open for business ▪ **MN:** lobbies closed in mid-March, drive-ups remained open, stay at home order lifted in mid-May, open by appointment only in August, continued progress of state's four-phased approach to businesses reopening ▪ **AZ:** lobbies closed in mid-March, drive-up remained open, open by appointment only in September

COVID-19 RELIEF PROGRAMS

PAYMENT DEFERRALS, MATURITY EXTENSIONS, AND PAYMENT MODIFICATIONS



September 30, 2020

Loan Group	Number Of Loans	Granted Deferral ($ in 000's)	Still on Initial Deferral ($ in 000's)	Second Deferral ($ in 000's)	Returned to Normal ($ in 000's)
Consumer	155	$ 2,131	$ 248	$ 60	$ 1,823
Residential Real Estate Serviced	61	26,419	4,370	12,618	9,431
Residential Real Estate Non-serviced	77	10,550	479	—	10,071
Commercial Real Estate	78	80,113	5,826	4,206	70,081
Commercial & Industrial	182	31,138	1,039	—	30,099
Total	552	$ 151,351	$ 11,962	$ 16,884	$ 146,429

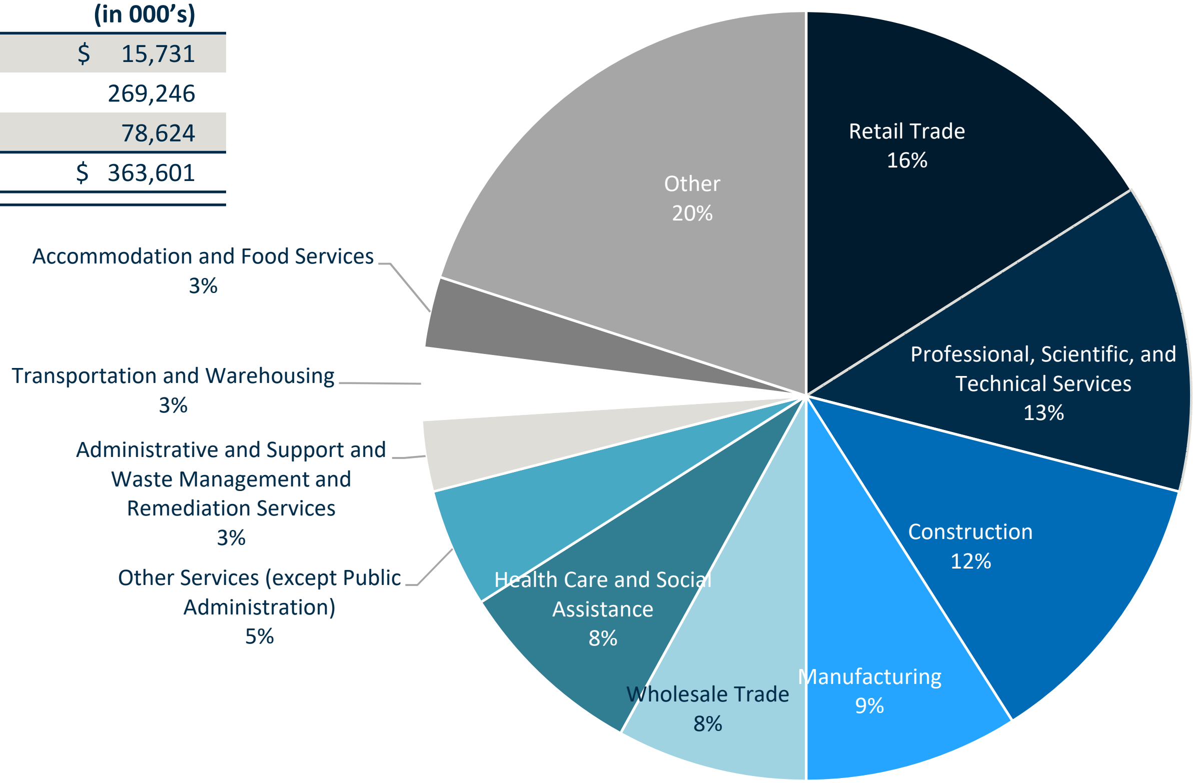
COVID-19 RELIEF PROGRAMS

SBA PAYCHECK PROTECTION PROGRAM (PPP)

INDUSTRY BREAKDOWN OF PPP LOANS MADE TO BORROWERS

THROUGH 9/30/2020 SECURED SBA FINANCING FOR 1,632 LOANS FOR APPROXIMATELY $364MM

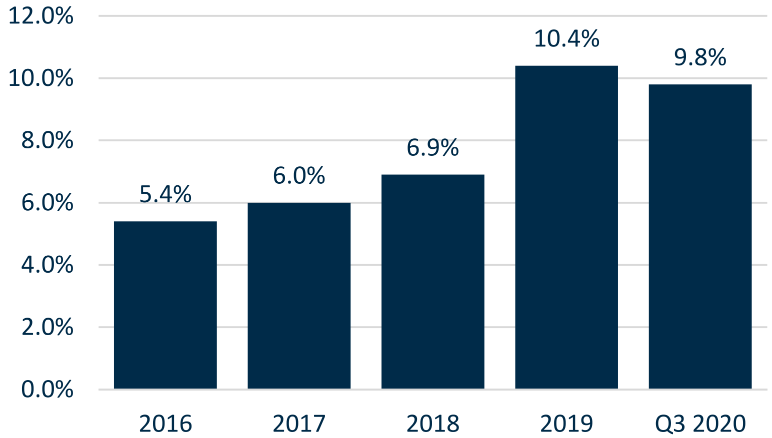
Loan Amount Group	# of Loans	$ Originated (in 000's)
$50M or less	784	$ 15,731
$50M to $2MM	822	269,246
$2MM+	26	78,624
Total	1,632	$ 363,601



As of 9/30/2020.

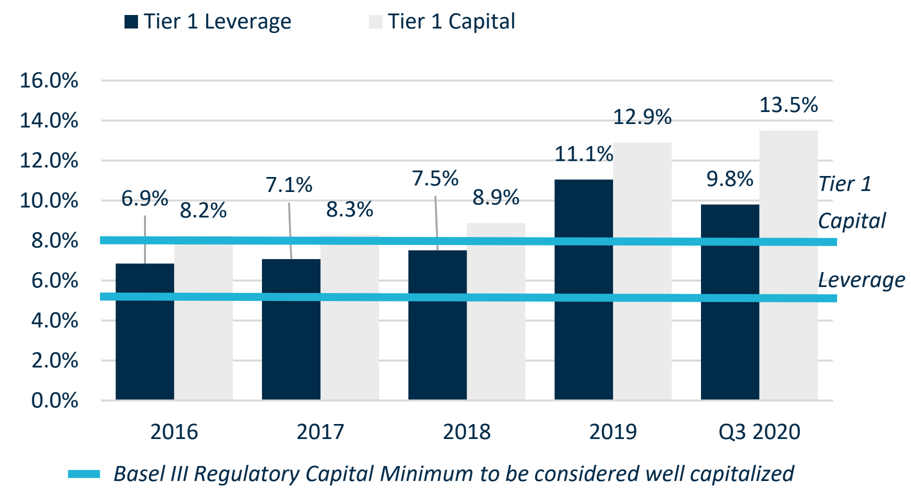
STRONG CAPITAL AND SOURCES OF LIQUIDITY

TANGIBLE COMMON EQUITY/TANGIBLE ASSETS

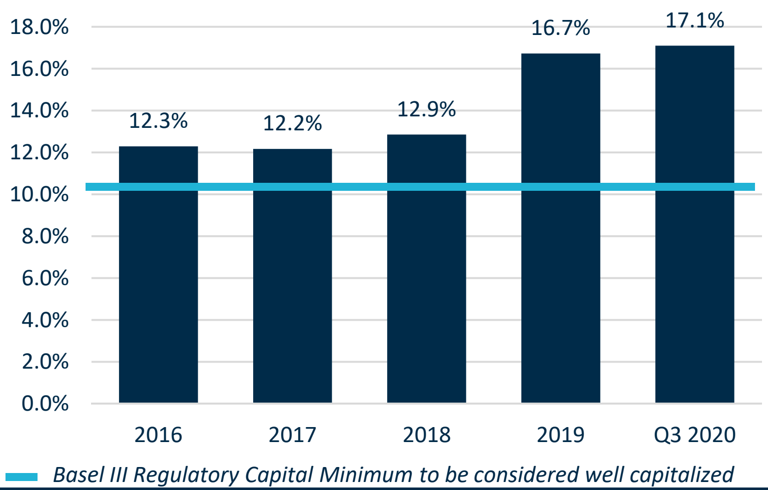


Excluding PPP, Tangible Common Equity/Tangible Assets at September 30, 2020 was 11.14%

TIER 1 CAPITAL/TIER 1 LEVERAGE RATIOS



TOTAL RISK BASED CAPITAL



PRIMARY AND SECONDARY SOURCES OF LIQUIDITY

Cash and cash equivalents	$95,751
Unencumbered securities	380,056
FHLB borrowing availability	565,029
Brokered CD capacity	579,431
Fed funds lines	102,000
Total as of 09/30/2020	**$1,722,267**

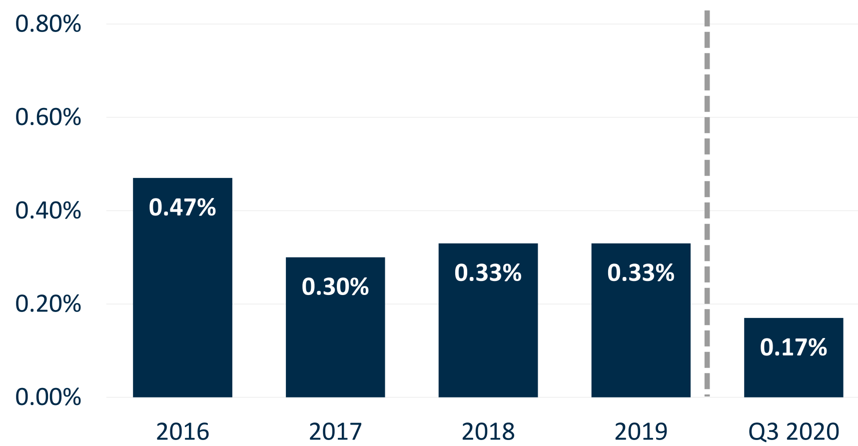
ALERUS

ASSET QUALITY AND RESERVE LEVELS

OVERVIEW

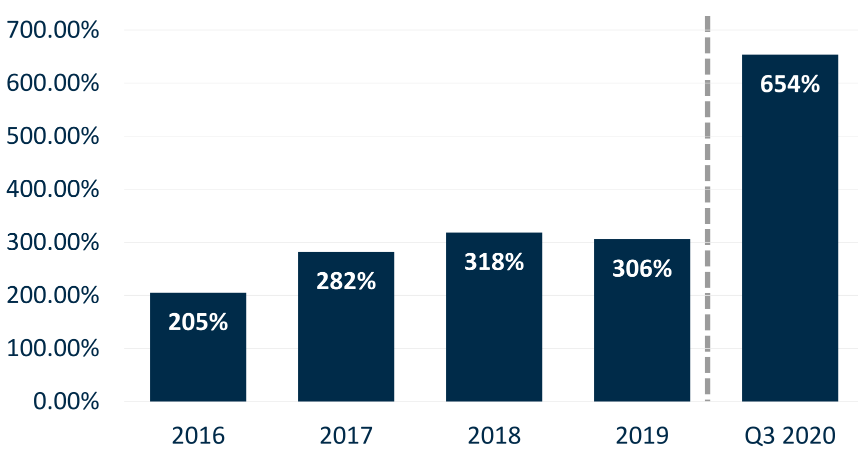
- Solid asset quality and reserve levels
- Strengthened credit department to support growth
- Proactive approach to classification of assets

NPAS / ASSETS (%)

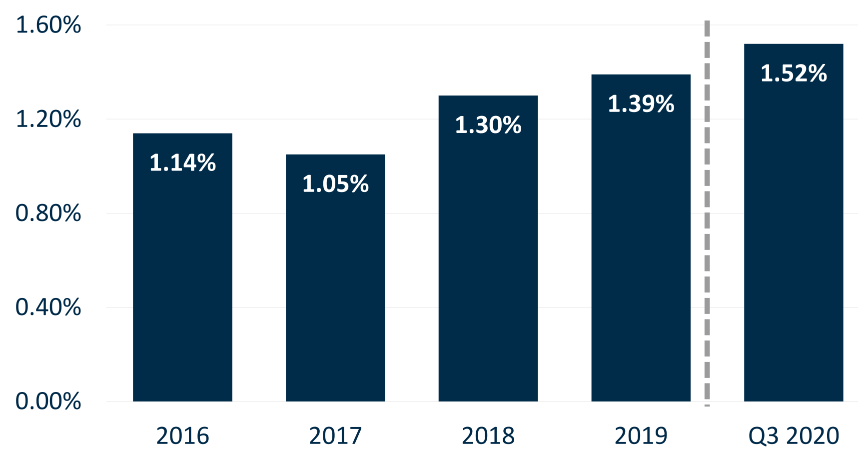


Excluding PPP, NPAs/Assets as of September 30, 2020 was 0.19%

RESERVES / NPLS (%)



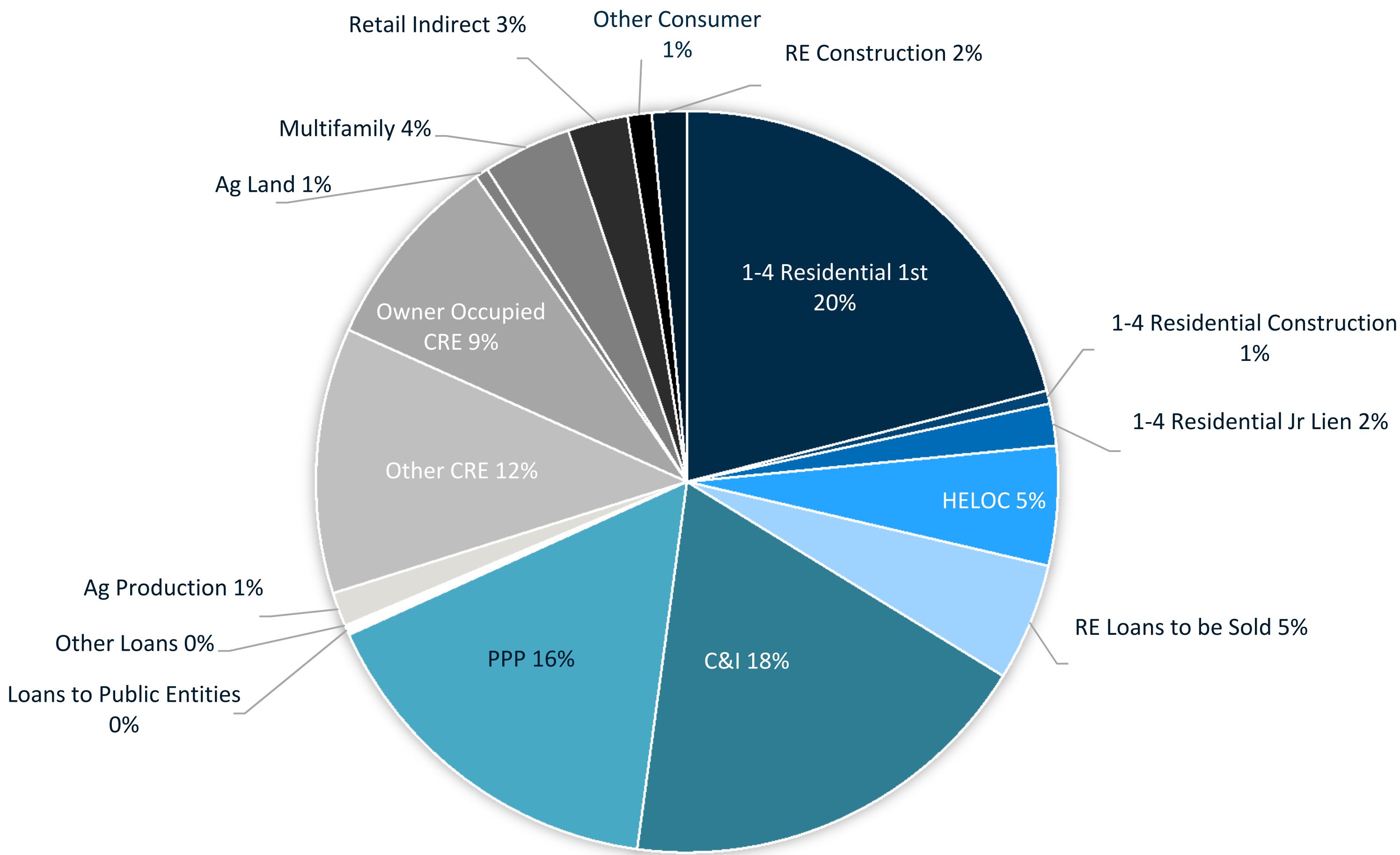
RESERVES / LOANS (%)



Excluding PPP, Reserves/Loans as of September 30, 2020 was 1.83%

WELL DIVERSIFIED LOAN PORTFOLIO

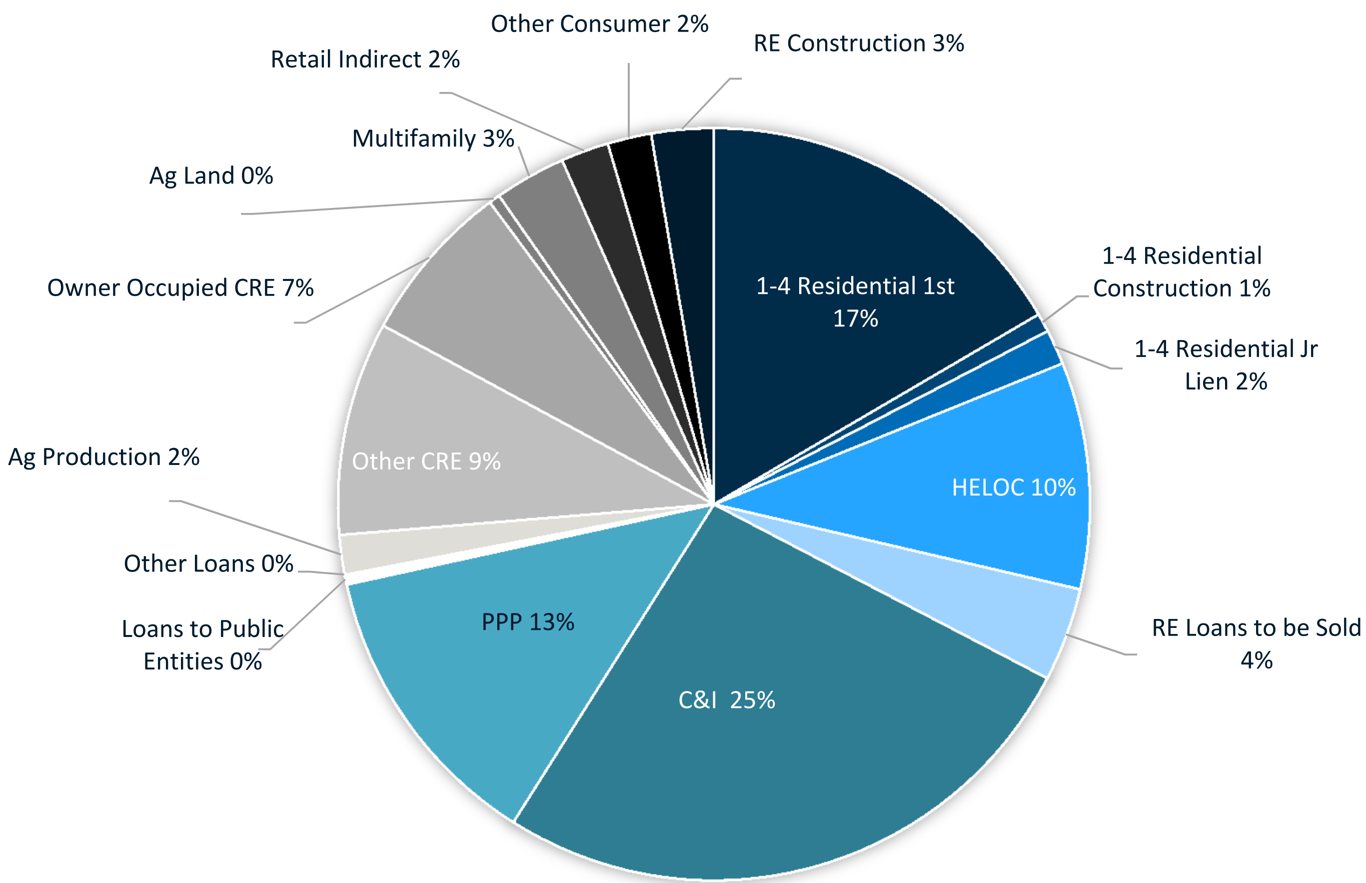
BY OUTSTANDING BALANCES



As of 9/30/2020.

WELL DIVERSIFIED LOAN PORTFOLIO

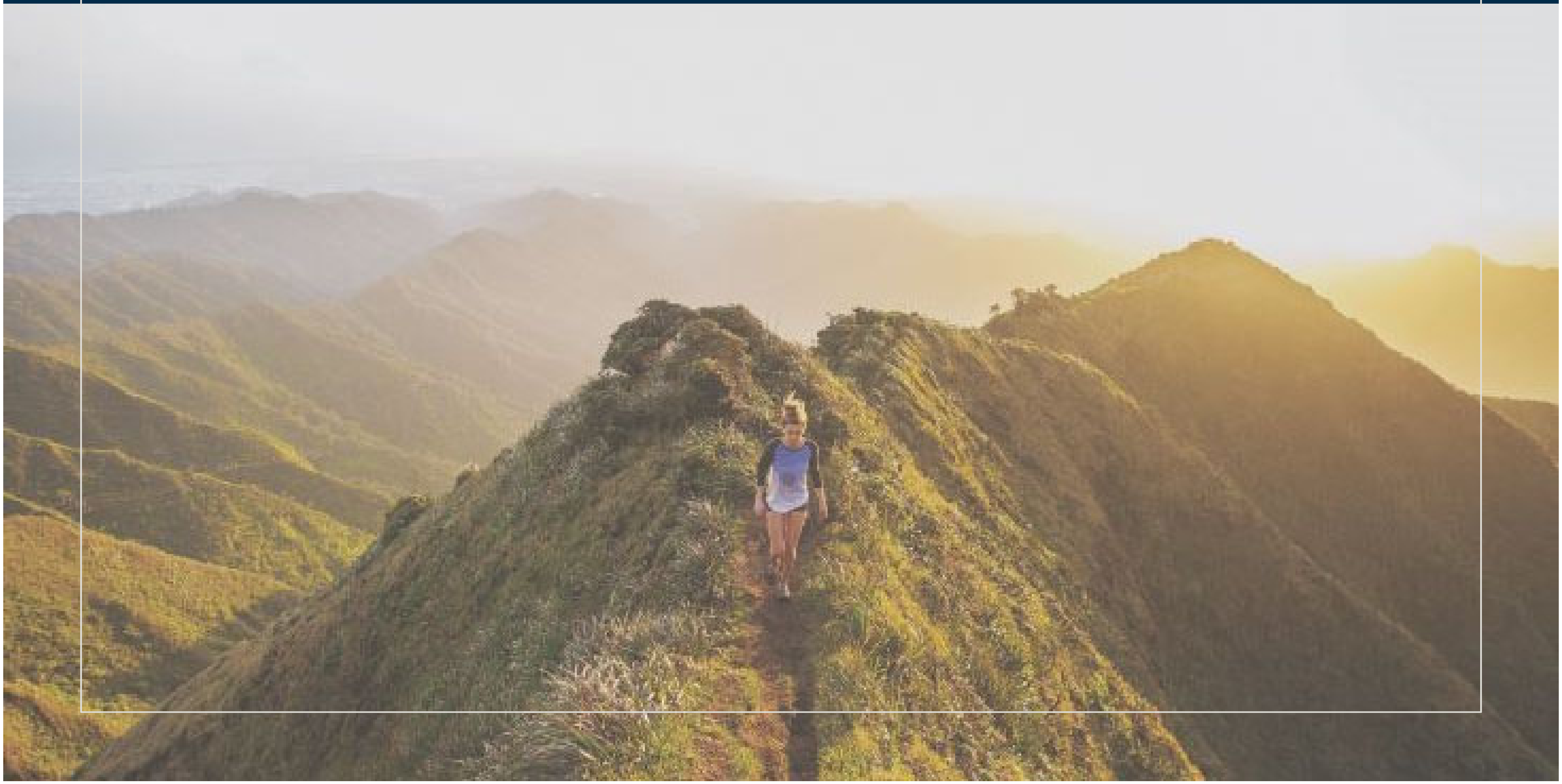
BY TOTAL COMMITMENT INCLUDING UNFUNDED COMMITMENT



As of 9/30/2020.

ALERUS

THIRD QUARTER HIGHLIGHTS



Q3 FINANCIAL HIGHLIGHTS

INCOME STATEMENT

(dollars and shares in thousands, except per share data)	Three months ended September 2020	June 2020	September 2019
Net Interest Income	$ 21,765	$ 20,091	$ 18,681
Provision for Loan Losses	3,500	3,500	1,498
Net Interest Income After Provision for Loan Losses	18,265	16,591	17,183
Noninterest Income	45,256	38,230	29,580
Noninterest Expense	40,214	39,734	37,327
Income Before Income Taxes	23,307	15,087	9,436
Income Tax Expense	5,648	3,613	2,332
Net Income	$ 17,659	$ 11,474	$ 7,104
Per Common Share Data			
Earnings Per Common Share – Diluted	$ 0.99	$ 0.65	$ 0.48
Diluted Average Common Shares Outstanding	17,453	17,445	14,626
Performance Ratios			
Return on Average Total Assets	2.42%	1.68%	1.29%
Return on Average Tangible Common Equity(1)	26.67%	18.88%	17.01%
Noninterest Income as a % of Revenue	67.53%	65.55%	61.29%
Net Interest Margin (Tax-Equivalent)(1)	3.17%	3.14%	3.69%
Efficiency Ratio(1)	58.42%	66.31%	75.17%

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

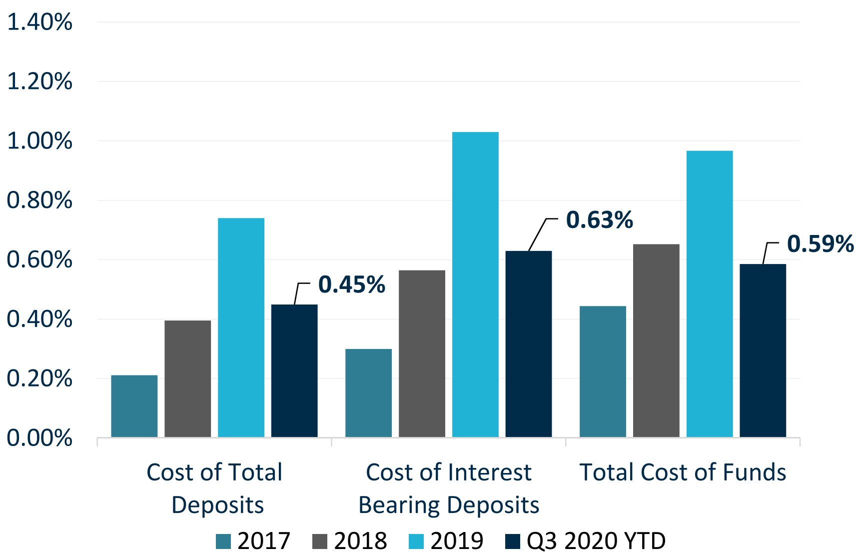
ALERUS

STRONG CORE FUNDING MIX

OVERVIEW AS OF SEPTEMBER 30, 2020

- Commercial transaction accounts totaled $1.1 billion and increased 35.9% YTD. Consumer transaction accounts totaled $579.4 million and increased 8.1%
- HSA deposits sourced through retirement plans totaled $131.5 million, with a cost of 0.18%
- CD portfolio is primarily 6 month flex CD of which over 50% have been clients for 10+ years.
- Stable deposit relationships with 22 year average tenure on 10 largest depositors
- National Market deposits totaled $554.2 million

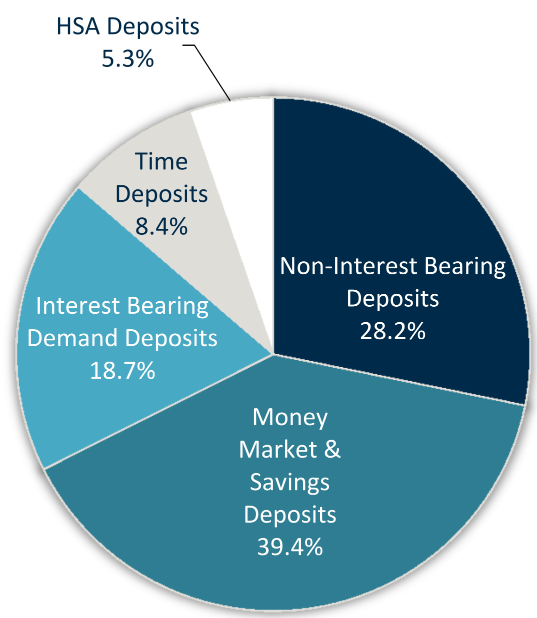
LOW COST OF FUNDS



Revenue data YTD as of 9/30/2020.

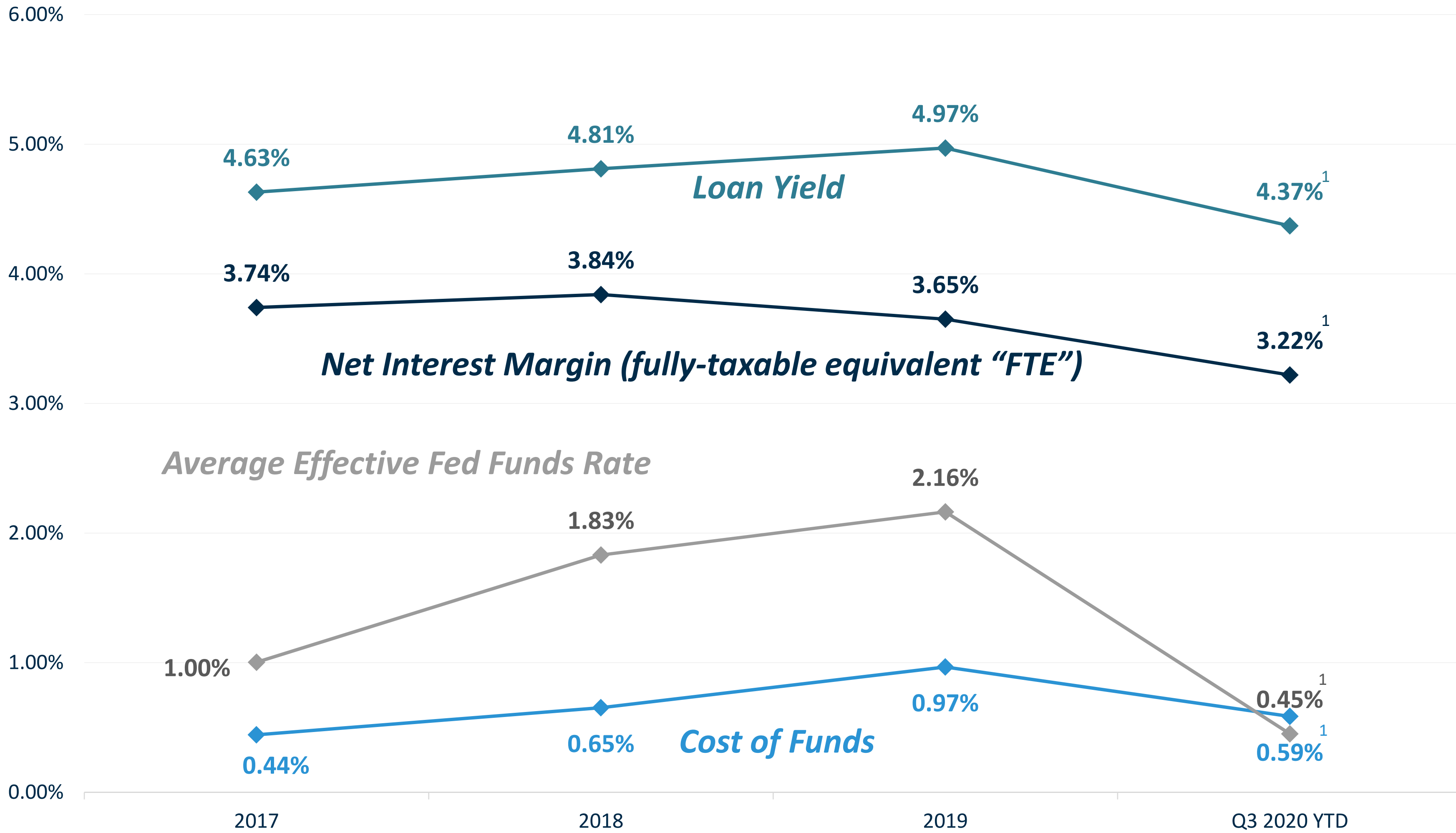
SEPTEMBER 30, 2020 DEPOSIT FUNDING ($2,462MM)

As of September 30, 2020, core deposits totaled $2.4 billion or 97.6% of our total deposits



ALERUS

NET INTEREST MARGIN (NIM)



1 - Rates have been annualized for interim periods.

Source: Alerus Financial Corporation; Federal Reserve

Note: Net interest margin (FTE) is a non-GAAP financial measure; See "Non-GAAP Disclosure Reconciliation" in the Appendix to this presentation

NIM AND LOAN FLOORS

VARIABLE RATE FLOORS BY INDEX

$ in Millions Index	In the Money	Out of the Money	No Floor	Total	Total %
Prime	$ 291	$ 19	$ 16	$ 326	42.1%
1 Month LIBOR	8	2	146	156	20.2%
12 Month LIBOR	–	79	127	206	26.7%
FHLB 5 Year	33	8	12	53	6.9%
Other	26	–	6	32	4.1%
Total	$ 358	$ 108	$ 307	$ 774	100.0%
Percent of Total	46.3%	14.0%	39.7%	100.0%	

VARIABLE RATE FLOORS

$ in Millions	Balance	% of Total Balance	Cumulative % of Total Balance
No Floors	$ 307	39.6%	39.6%
Floors Reached	359	46.4%	86.0%
0-50 bps to reach floor	102	13.2%	99.2%
>50bps to reach floor	6	0.8%	100.0%
Total	$ 774	100.0%	

NET INTEREST MARGIN ROLL FORWARD

	NIM[1]	Average Earning Assets
2Q 2020	**3.14%**	**2,584,036,032**
Lower Asset Yields	-0.08%	
Asset Balance/Mix	-0.06%	
Deposit Balance/Mix	0.00%	
Lower Deposit Rate	0.16%	
Other Borrowings	0.01%	
3Q 2020	**3.17%**	**2,744,759,465**

COMMENTS

- Quarter over quarter highlights:
  - Lower asset yields driven by lower loan yields of 4bps, excluding PPP loans, C&I yield would have been down 7bps.
  - Lower cash yields of 4bps
  - Lower investment yields of 21bps
  - Lower yields offset by increased earning assets of $160 million
  - Total deposit costs were down 23bps and interest-bearing deposit costs were down 30bps

1 – NIM excluding PPP for the three months ended September 30, 2020 was 2.25%

OUR DIVERSE BUSINESS LINES

A BIG COMPANY MODEL WITH SMALL COMPANY EXECUTION

BANKING
40% of Revenue

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

CONSUMER BANKING
- Deposit products and services
- Consumer lending
- Private banking

TRUSTED ADVISOR

RETIREMENT AND BENEFITS
29% of Revenue

- Retirement plan administration
- Retirement plan investment advisory
- ESOP fiduciary services
- Payroll administration services
- HSA/FSA/HRA administration
- COBRA

MORTGAGE
23% of Revenue

- Residential mortgage lending
- Purchasing or refinancing
- Residential construction lending
- Home equity/second mortgages

WEALTH MANAGEMENT
8% of Revenue

- Advisory services
- Trust and fiduciary services
- Investment management
- Insurance planning
- Financial planning
- Education planning

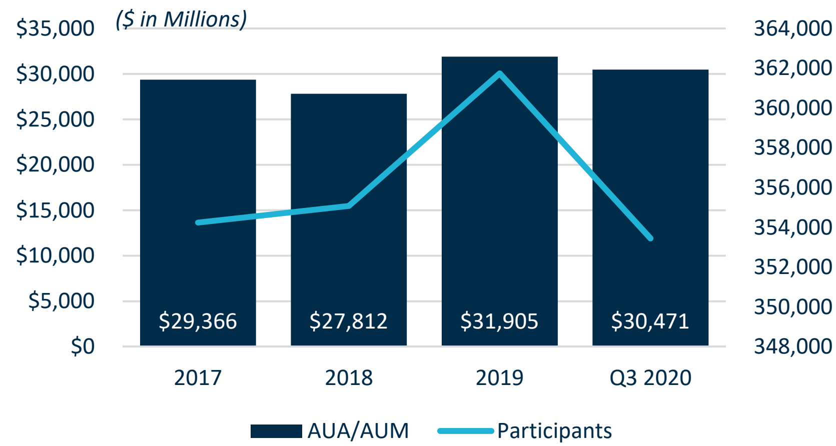
Revenue data LTM as of 9/30/2020.

RETIREMENT AND BENEFITS

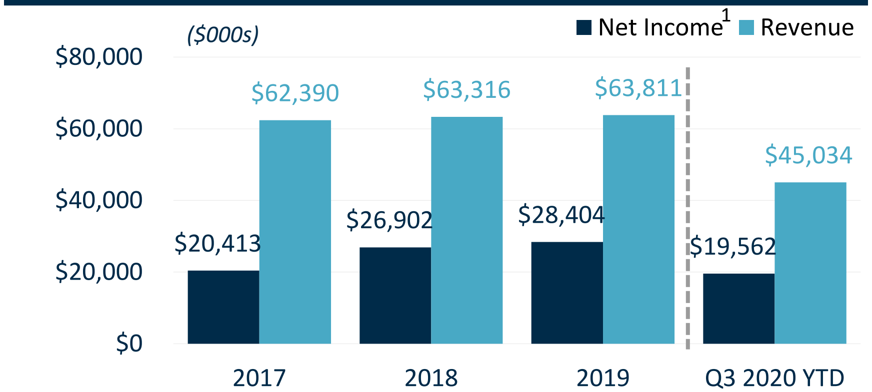
OVERVIEW OF SERVICES

- **RETIREMENT -** Provide recordkeeping and administration services to qualified retirement plans
- **ESOP -** Provide trustee, recordkeeping and administration to employee stock ownership plans
- **ADVISORY SERVICES -** Provide investment fiduciary services to retirement plans
- **HEALTH AND WELFARE -** Provide HSA, FSA, COBRA recordkeeping and administration services to employers
- **PAYROLL -** Provide payroll and HRIS services for employers
- **ONE ALERUS SYNERGIES**
  - IRA rollovers
  - Deposits - HSA deposits, 401(k) Money Market Funds, Emergency Savings, Terminated Participants
  - Managed accounts

ASSETS UNDER ADMINISTRATION/MANAGEMENT

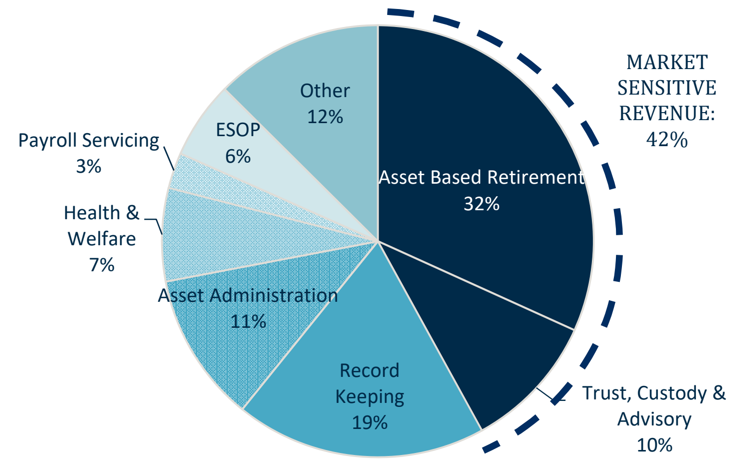


PROFIT MARGIN



Profit Margin:	32.7%	42.5%	44.5%	43.4%

REVENUE MIX (Q3 2020 YTD)



1 Net Income before Tax and Indirect Allocations.

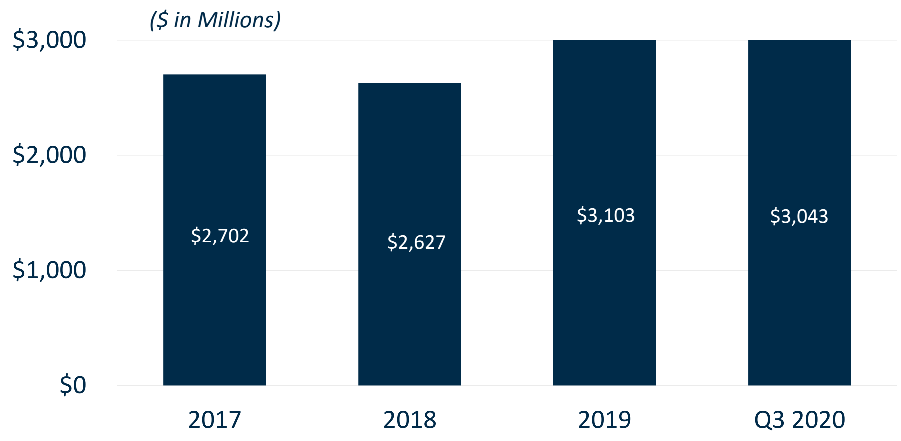
ALERUS

WEALTH MANAGEMENT SERVICES

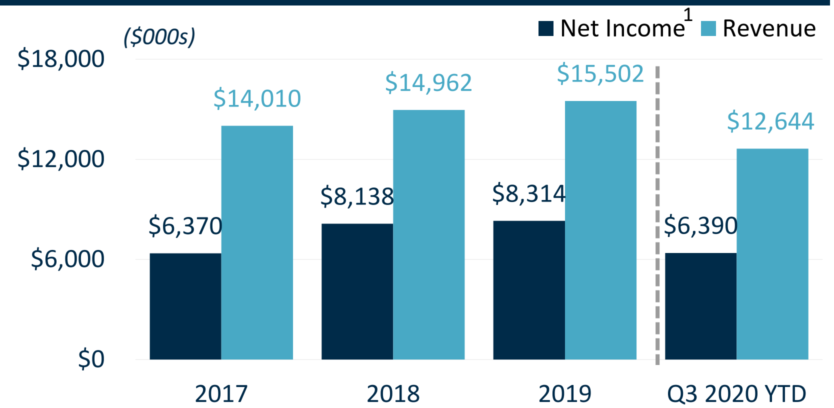
OVERVIEW OF SERVICES

- **ADVISORY AND PLANNING SERVICES**
  - Retirement Planning, Tax Planning, Insurance Planning, Wealth Transfer Planning and Business Transition Planning
- **ASSET MANAGEMENT**
  - Personalized SMA strategies, Tax Management and Global Perspective
- **FIDUCIARY SERVICES**
  - IRA, Agency and Personal Trust
- **ONE ALERUS SYNERGIES**
  - IRA rollovers
  - 401(k) managed accounts

ASSETS UNDER ADMINISTRATION/MANAGEMENT

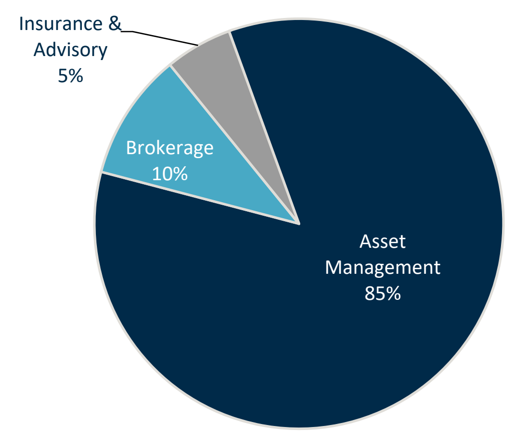


PROFIT MARGIN



Profit Margin:	45.5%	54.4%	53.6%	50.5%

REVENUE MIX (Q3 2020 YTD)



1 Net Income before Tax and Indirect Allocations.

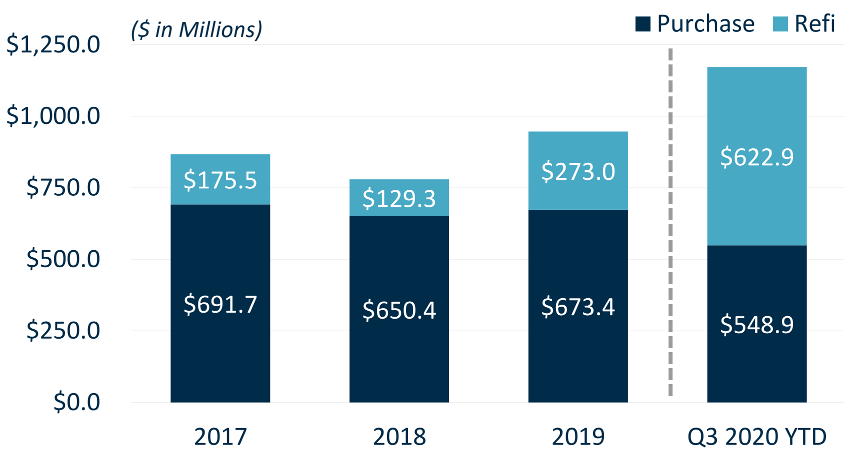
ALERUS

MORTGAGE BANKING

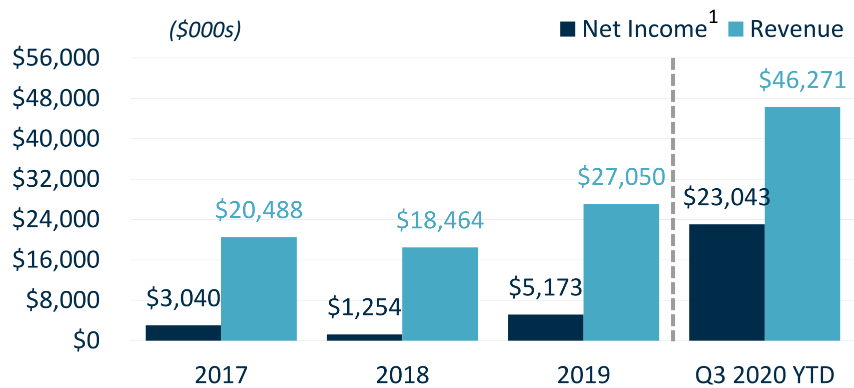
OVERVIEW OF SERVICES

- 1st and 2nd mortgage product offerings through centralized mortgage operations in Minnesota
- Our Twin Cities originators averaged $30+ million in volume in 2019
- YTD, approximately 47% purchase originations, with approximately 89% sourced from the Twin Cities MSA
- **ONE ALERUS SYNERGIES**
  - Through enhanced technology, offer digital application and transitioned to a paperless delivery in Q1 2020. Key initiatives necessary to expand mortgage products nationwide to our retirement plan participants.
  - As of September 30, 2020, originations retained on the banking division's balance sheet totaled $103 million

MORTGAGE ORIGINATIONS

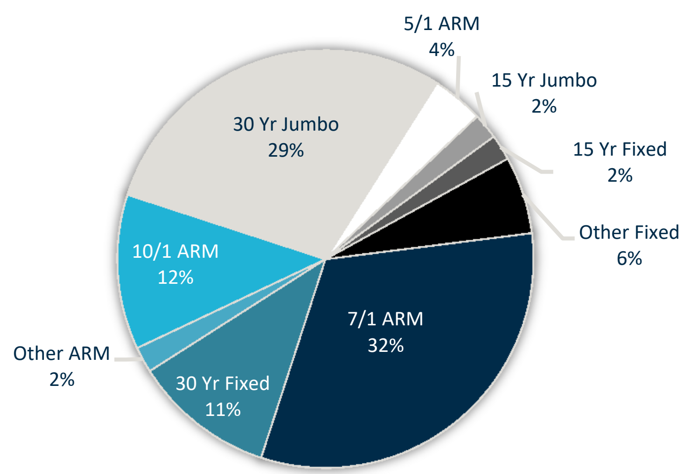


PROFIT MARGIN



Profit Margin:	14.8%	6.8%	19.1%	49.8%

1-4 FAMILY PORTFOLIO PRODUCT MIX



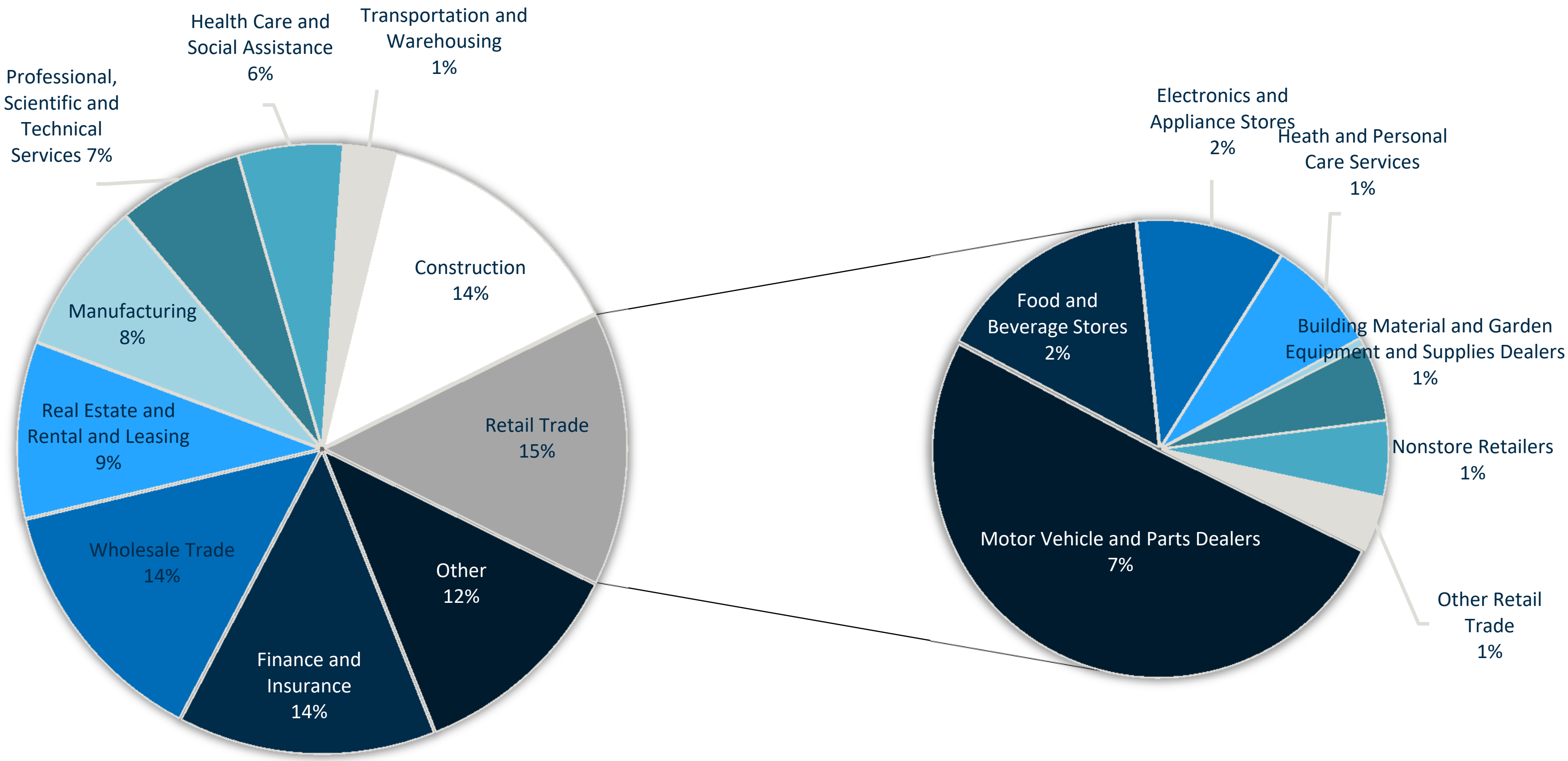
1 Net Income before Tax and Indirect Allocations.

ALERUS

LOAN PORTFOLIO AND CREDIT QUALITY

SUMMARY BY INDUSTRY TYPE

TOTAL COMMITMENT COMMERCIAL & INDUSTRIAL[1]



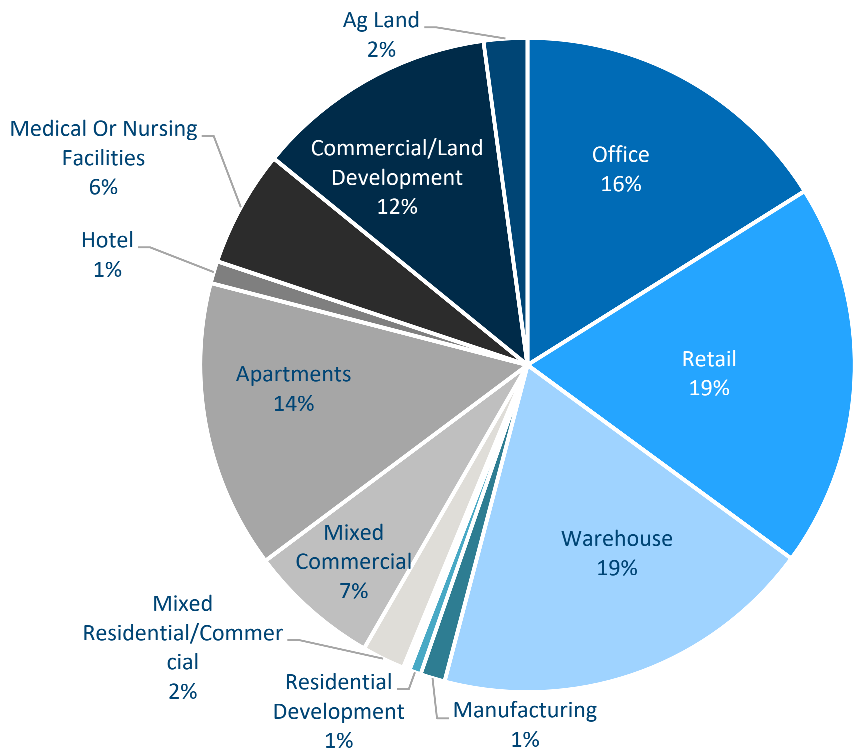
1 – Commercial and industrial loans includes C & I, Loans to Public Entities, and Other Loans. It Excludes PPP and Ag Production

“Other” includes to the following industries (1) Nonclassifiable establishments, (2) Management of Companies and Enterprises, (3) Administrative and Support and Waste Management and Remediation Services, (4) Accommodation and Food Services, (5) Educational Services, (6) Other Services (except Public Administration), (7) Information, (8) Arts, Entertainment, and Recreation, (9) Agriculture Forestry, Fishing, and Hunting, (10) Public Administration), (11) Mining Quarrying, and Oil and Gas Extraction, and (12) Utilities

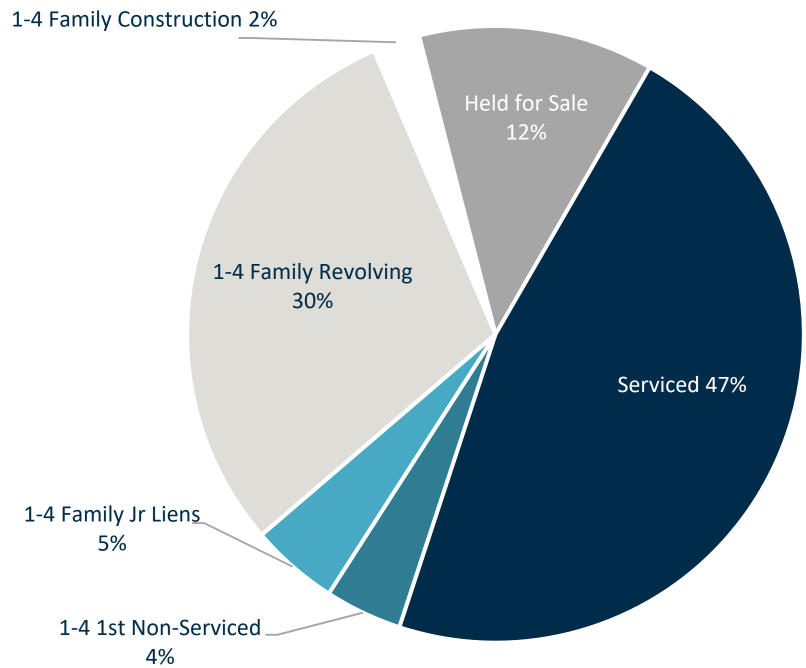
“Other Retail Trade” includes to the following sub-industries within Retail Trade: (1) Miscellaneous Store Retailers, (2) Furniture and Home Furnishings Stores, (3) Sporting Goods, Hobby, Musical Instrument, and Book Stores, (4) Clothing and Clothing Accessories Stores, and (5) General Merchandise Stores

LOANS SECURED BY REAL ESTATE

TOTAL COMMITMENT COMMERCIAL REAL ESTATE[1]



TOTAL COMMITMENT RESIDENTIAL REAL ESTATE



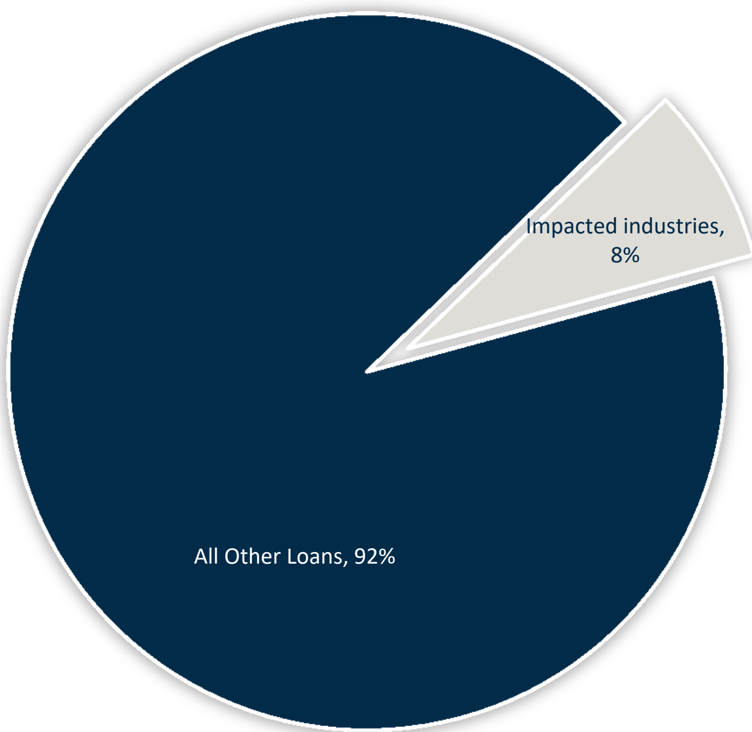
Portfolio	Avg FICO	Avg LTV
Serviced	754	67%
Non-Serviced	776	27%
Junior	757	77%
HELOC	794	75%

1 – Loans secured by commercial real estate include Multifamily loans, Ag land, Other CRE, Owner Occupied CRE, and Ag production

ALERUS

INDUSTRIES DIRECTLY IMPACTED BY COVID-19

COMMERCIAL AND INDUSTRIAL AND COMMERCIAL REAL ESTATE



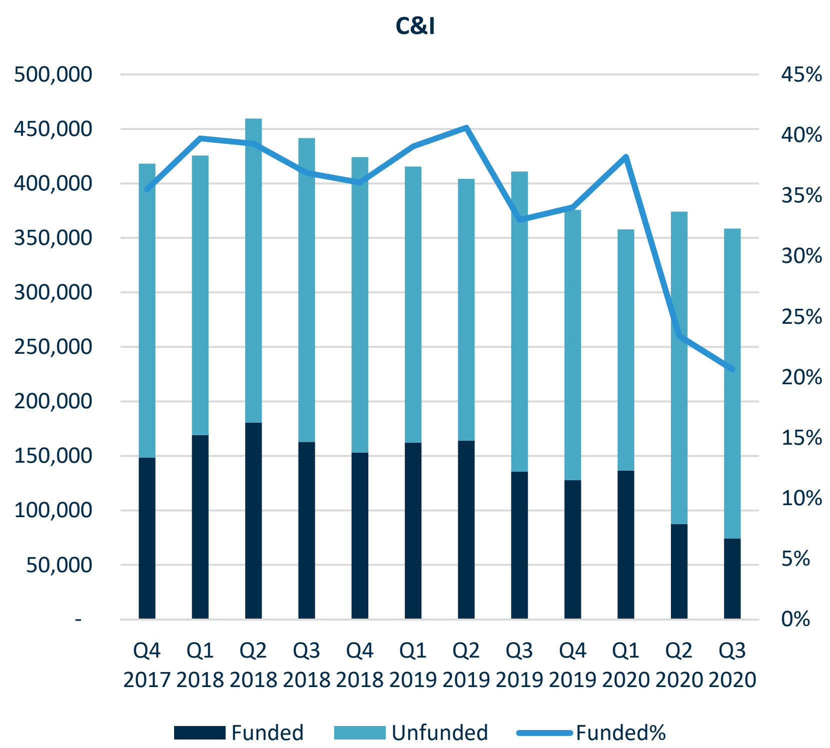
C&I	Total Commitment ($ in 000's)	% of Total
Accommodation and Food Services	$ 9,774	0.70%
Arts, Entertainment, and Recreation	4,236	0.30%
Oil and Gas	874	0.06%
Other Retail Trade	4,138	0.30%
Total	$ 19,021	1.37%

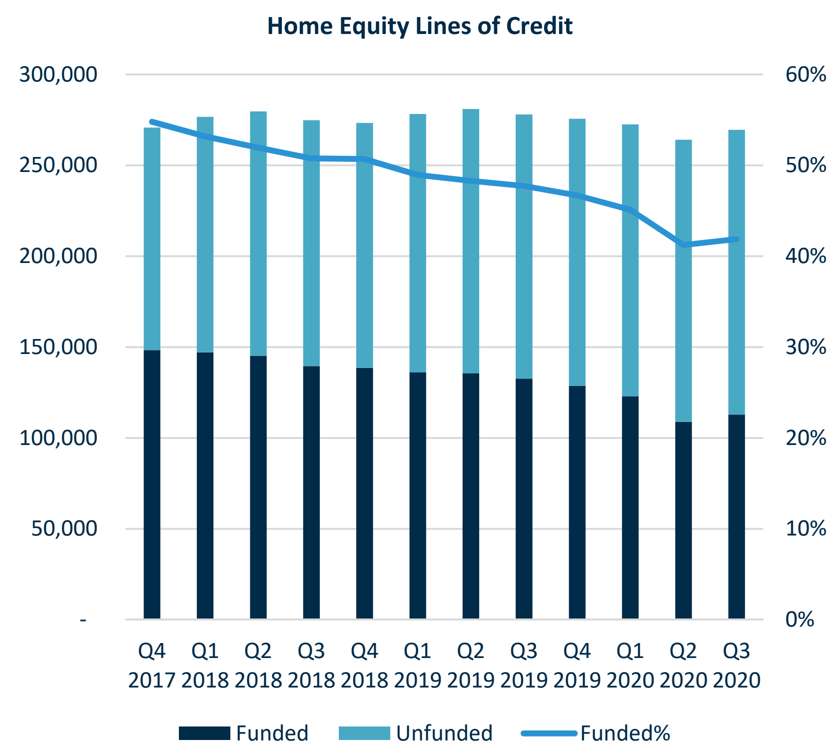
CRE	Total Commitment ($ in 000's)	% of Total
Retail	$ 117,466	8.44%
Medical or Nursing Facilities	35,531	2.55%
Hotel	6,821	0.49%
Total	$ 159,819	11.48%

As of 9/30/2020.

LINE OF CREDIT UTILIZATION

C&I AND HOME EQUITY LINES OF CREDIT





ALLOWANCE FOR LOAN LOSSES

CHANGES IN THE ALLL BY PORTFOLIO SEGMENT

	Nine months ended September 30, 2020				
(dollars in thousands)	Beginning Balance	Provision for Loan Losses	Loan Charge-offs	Loan Recoveries	Ending Balance
Commercial					
Commercial and industrial	$ 12,270	$ (498)	$ (2,745)	$ 1,346	$ 10,373
Real estate construction	303	180	—	—	483
Commercial real estate	6,688	5,953	(865)	95	11,871
Total commercial	19,261	5,635	(3,610)	1,441	22,727
Consumer					
Residential real estate first mortgage	1,448	2,914	—	5	4,367
Residential real estate junior lien	671	377	(12)	175	1,211
Other revolving and installment	352	371	(194)	108	637
Total consumer	2,471	3,662	(206)	288	6,215
Unallocated	2,192	203	—	—	2,395
Total	$ 23,924	$ 9,500	$ (3,816)	$ 1,729	$ 31,337

ALLOWANCE FOR LOAN LOSSES

ALLOCATION BY PORTFOLIO SEGMENT

(dollars in thousands)	September 30, 2020 Allocated Allowance	September 30, 2020 Percentage of loans to total loans	December 31, 2019 Allocated Allowance	December 31, 2019 Percentage of loans to total loans
Commercial and industrial	$ 10,373	38.3%	$ 12,270	27.8%
Real estate construction	483	1.6%	303	1.5%
Commercial real estate	11,871	26.0%	6,688	28.8%
Residential real estate first mortgage	4,367	22.8%	1,448	26.6%
Residential real estate junior lien	1,211	7.4%	671	10.3%
Other revolving and installment	637	3.9%	352	5.0%
Unallocated	2,395	—%	2,192	—%
Total loans	$ 31,337	100.0%	$ 23,924	100.0%

ALLOWANCE FOR LOAN LOSSES

ALLOCATION BY RISK SEGMENT ($ IN 000'S)

Risk Level	Total Loans	Unguaranteed Balance	Reserve Amount	Reserve / Unguaranteed Loans	Reserve/Total Loans
Pass	$ 1,979,212	$ 1,625,744	$ 22,836	1.40%	1.15%
Special Mention	26,235	19,845	816	4.11%	3.11%
Substandard	47,264	42,666	4,883	11.44%	10.33%
Total Loans Evaluated Collectively	2,052,711	1,688,255	28,535	1.69%	1.39%
Total Loans Evaluated Individually	5,708	5,382	407	7.56%	7.13%
Unallocated	–	–	2,395	–	–
Total	$ 2,058,419	$ 1,693,637	$ 31,337	1.85%	1.52%

As of 9/30/2020.

APPENDIX

COMPANY PROFILE

COMPANY PORTFOLIO

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.

DIVERSIFIED FINANCIAL SERVICES COMPANY

- $2.9 billion Banking assets
- $30.5 billion Retirement and Benefits AUA/AUM
- $3.0 billion Wealth Management AUA/AUM

ALERUS BUSINESS LINES

- Banking
- Retirement and Benefits
- Wealth Management
- Mortgage

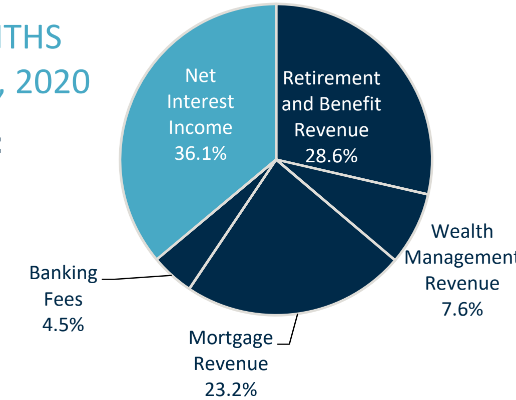
Data as of 9/30/2020.

DIVERSIFIED REVENUE STREAM

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2020

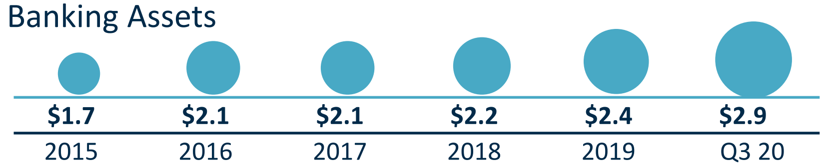
Noninterest income: $140.2 million

Net interest income: $76.2 million

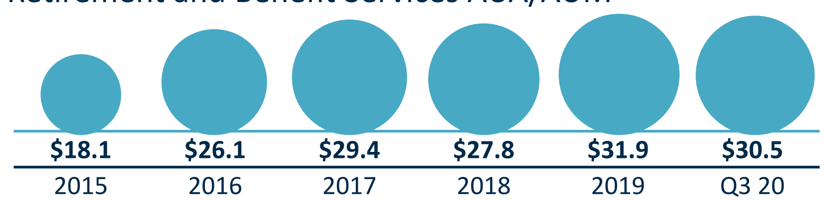


ASSET GROWTH (IN BILLIONS)

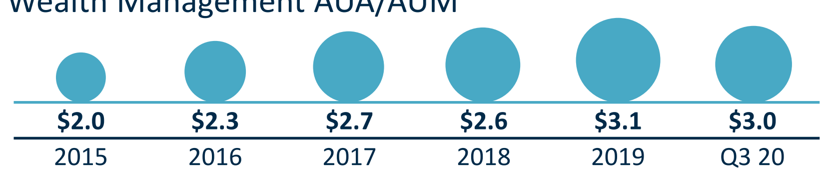
Banking Assets



Retirement and Benefit Services AUA/AUM



Wealth Management AUA/AUM



ALERUS

FRANCHISE FOOTPRINT

FULL-SERVICE BANKING OFFICES

Alerus offers banking, retirement and benefits, mortgage and wealth management services at all full-service banking offices

Grand Forks, ND
- 3 full-service banking offices

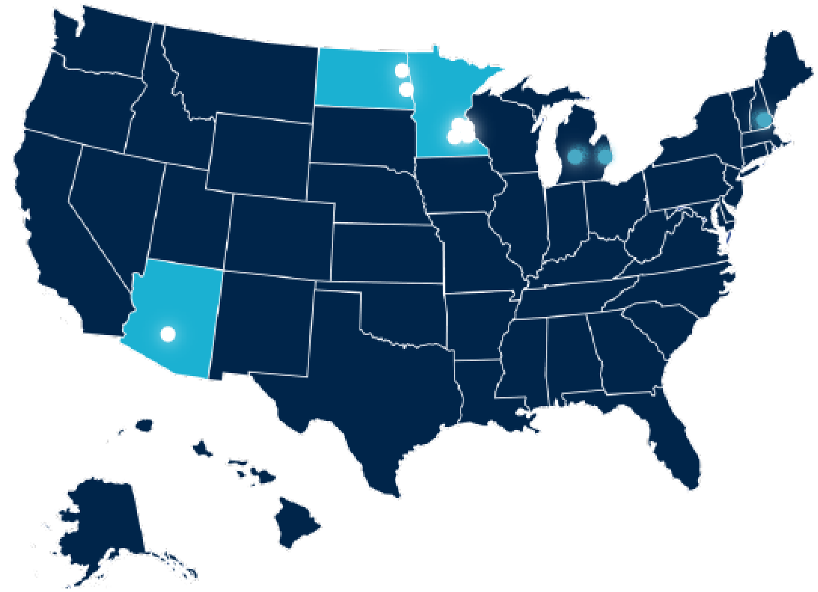
Fargo, ND
- 3 full-service banking offices

Twin Cities, MN
- 6 full-service banking offices
- 1 mortgage office
- 1 deposit and loan production office

Phoenix, AZ
- 2 full-service banking offices

RETIREMENT AND BENEFITS SERVICES OFFICES

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



DIVERSIFIED CLIENT BASE

- 48,900 consumers
- 10,400 businesses
- 6,900 employer-sponsored retirement plans
- 350,000 employer-sponsored retirement plan participants
- 50,000 health savings account participants
- 21,700 flexible spending account/health reimbursement arrangement participants

Data as of 9/30/2020.

ONE ALERUS

ONE ALERUS STRATEGY

One Alerus enables us to bring all of our product and service offerings to clients in a cohesive and seamless manner. We believe the One Alerus initiative will enable us to achieve future organic growth by leveraging our existing client base and help us continue to provide strong returns to our stockholders

TECHNOLOGY INVESTMENT

We have proactively invested in technology which will allow us to effectively integrate our various departments and business lines

We believe these initiatives will reduce the amount of technology expenditures needed in the future

ONE ALERUS

TAILORED ADVICE

We strive to provide each client with a primary point of contact —a trusted advisor— who deals with individual needs and integrates other department's expertise when necessary

DIVERSIFIED SERVICES

Through our four divisions, we are able to offer a comprehensive service package to our clients

SYNERGISTIC GROWTH

We have formalized our National Market which has grown deposits to $554.2 million as of September 30, 2020

Acquired new product lines including HSA and payroll accounts

We expect the 401(k) money market accounts to continue to grow and reduce funding costs

REINVENTION OF PROCESSES

We have aligned processes, policies, and procedures throughout all departments to enhance client experience and improve our Company's efficiency

Our expectation is this initiative will continue to improve our scalability and operating costs

THE PATH TO FINANCIAL CONFIDENCE

IMPROVING CLIENTS' FINANCIAL WELLBEING THROUGH PEOPLE + TECHNOLOGY

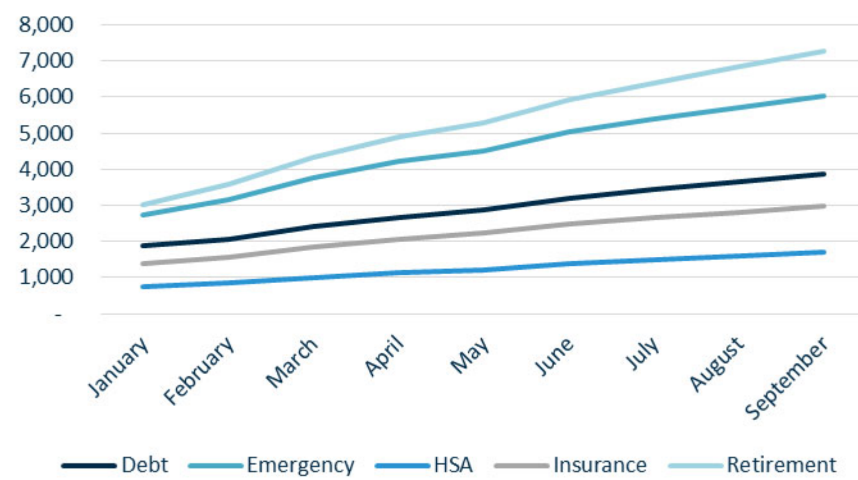
SKILLED ADVISORS AND FINANCIAL GUIDES

- Team is organized around consumer or business; focuses on holistic needs of clients; depth and breadth of Alerus service offering
- Proprietary Financial Fitness Playbook delivers consistency and augments Financial Workout technology
- Clients expectations driven by advice and guidance versus transactions

EMPOWERING CLIENTS WITH RESPONSIVE TECHNOLOGY

- **Omni-Channel**
  Seamless experience via desktop and mobile
- **Leading Account Aggregation**
  Holistic view of entire financial life
- **Single Sign On**
  Remove friction in being an Alerus client
- **Financial Wellness Score**
  Your most current financial data is used to create easy, intuitive workouts

WORKOUTS COMPLETED BY CLIENTS SINCE LAUNCH



KEY STRATEGIC INITIATIVES

GROWING THE ALERUS FRANCHISE

LEVERAGE OUR EXISTING CLIENT BASE

- Diversified client base consists of **48,900** consumers, **10,400** businesses and over **350,000** employer-sponsored retirement plan participants
- Harness **product synergies** unavailable to traditional banking organizations

EXECUTE STRATEGIC ACQUISITIONS

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

PURSUE TALENT ACQUISITION

- Recruit **top talent** to **accelerate growth** in our existing markets or jumpstart our entrance into new markets
- Market disruption caused by M&A activity provides **lift-out opportunities**

ENHANCE BRAND AWARENESS

- Proactively position ourselves as an **acquirer and employer of choice**
- Invested in one of the **leading marketing automation technologies**

STRENGTHEN AND BUILD INFRASTRUCTURE

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

ORGANIC GROWTH "ONE ALERUS"

- Collaborative leadership team focused on **growing organically** by deepening relationships with existing clients through our expansive services
- Maintain **relationship-driven** business model while diversifying our composition of revenue

OFFICERS AND DIRECTORS

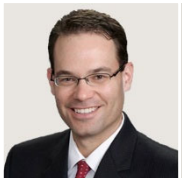
OUR MOTIVATED, DEDICATED, AND ENERGETIC LEADERS KEEP US ON THE RIGHT PATH

SENIOR EXECUTIVE TEAM

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

KATIE LORENSON
Executive Vice President and
Chief Financial Officer
3 years with Alerus

ANN MCCONN
Executive Vice President and
Chief Shared Services Officer
18 years with Alerus



RYAN GOLDBERG
Executive Vice President and
Chief Revenue Officer
Joined Alerus in 2020

KARIN TAYLOR
Executive Vice President and
Chief Risk Officer
2 years with Alerus

BOARD OF DIRECTORS

KEVIN LEMKE
Since 1994
President
Virtual Systems, Inc.
Grand Forks, ND

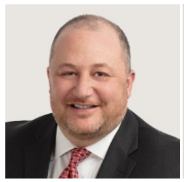
KAREN BOHN
Since 1999
President, Galeo Group, LLC
Former Chief Administrative Officer
Piper Jaffray Co.
Edina, MN

LLOYD CASE
Since 2005
Past President and CEO
Forum Communications Co.
Director, Forum Communications
Fargo, ND

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

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

DAN COUGHLIN
Since 2016
Former MD & Co-Head – Fin'l Services Inv.
Banking, Raymond James; Former Chairman
& CEO, Howe Barnes Hoefer & Arnett
Chicago, IL



MICHAEL MATHEWS
Since 2019
CIO, Deluxe Corporation
Former SVP – Technology and Enterprise
Programs, UnitedHealth Group
Minneapolis, MN

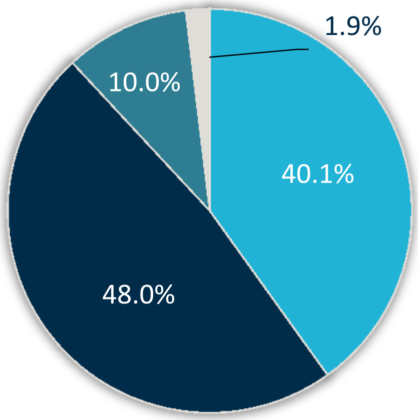
ALERUS

MARKET DISTRIBUTION

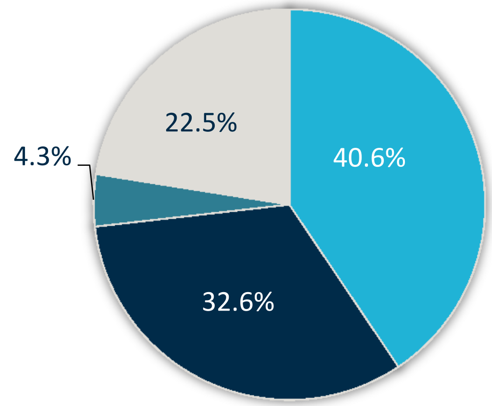
STRONG GROWTH MARKETS AND STABLE CORE FUNDING

($ IN MILLIONS)

LOANS ($2,058)



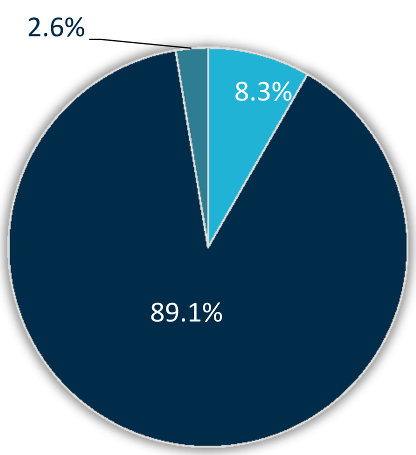
DEPOSITS ($2,462)



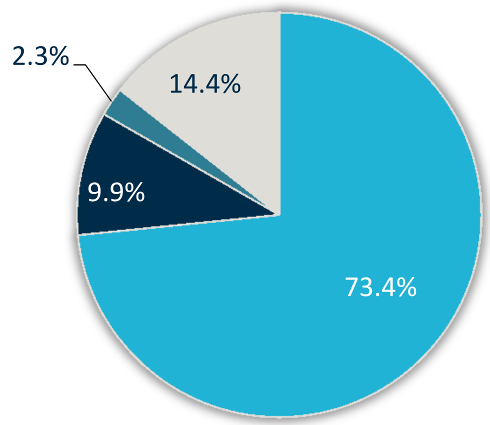
LEGEND

- North Dakota
- Minnesota
- Arizona
- National

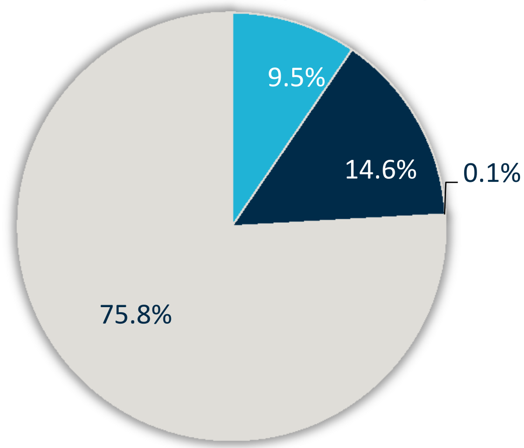
MORTGAGE ORIGINATIONS ($1,172)



WM ASSETS UNDER ADMIN/MGMT. ($3,043)



ARB ASSETS UNDER ADMIN/MGMT. ($30,471)



Data as of 9/30/2020.

ALERUS

FINANCIAL HIGHLIGHTS

($000s, except where otherwise noted)	Annual				'16-'19	Year-to-date	
	2016	2017	2018	2019	CAGR	Q3 2019	Q3 2020
Total Assets	$ 2,050,045	$ 2,136,081	$ 2,179,070	$ 2,356,878	4.8%	$ 2,228,311	$ 2,898,809
Total Loans	1,366,952	1,574,474	1,701,850	1,721,279	8.0%	1,686,087	2,058,419
Total Deposits	1,785,209	1,834,962	1,775,096	1,971,316	3.4%	1,833,113	2,462,370
Tangible Common Equity[1]	108,193	125,154	147,152	240,008	30.4%	234,692	279,253
Net Income	$ 14,036	$ 15,001	$ 25,866	$ 29,540		$ 21,888	$ 34,496
ROAA (%)	0.72	0.75	1.21	1.34		1.34	1.71
ROATCE (%)	15.81	18.04	21.02	17.46		19.24	18.70
Net Interest Margin (FTE) (%)[1]	3.63	3.74	3.84	3.65		3.72	3.22
Efficiency Ratio (FTE) (%)[1]	81.12	75.36	73.80	73.22		73.06	66.22
Non-Int. Income / Op. Rev. (%)	62.54	60.36	57.73	60.50		60.14	64.58
Total Equity / Total Assets (%)	8.21	8.41	9.04	12.12		12.63	11.11
Tang. Cmn. Equity / Tang. Assets (%)[1 2]	5.44	6.01	6.91	10.38		10.76	9.78
Loans / Deposits (%)	76.57	85.80	95.87	87.32		91.98	83.60
NPLs / Loans (%)[2]	0.56	0.37	0.41	0.45		0.31	0.23
NPAs / Assets (%)[2]	0.47	0.30	0.33	0.33		0.23	0.17
Allowance / NPLs (%)	205.03	282.04	318.45	305.66		446.12	653.53
Allowance / Loans (%)[2]	1.14	1.05	1.30	1.39		1.36	1.52
NCOs / Average Loans (%)[2]	0.16	0.16	0.18	0.33		0.37	0.15

1 Represents a non-GAAP financial measure. See “Non-GAAP Disclosure Reconciliation” in the Appendix to this presentation.
2 Excluding PPP, the following ratios were TCE/TA 11.14% NPLs/Loans 0.29%, NPAs/Assets 0.19%, Allowance/Loans 1.83%, and NCOs/Average Loans 0.16%

NON-GAAP DISCLOSURE RECONCILIATION

($000s, except where otherwise noted)				Annual		Year-to-date
	2016	2017	2018	2019	Q3 2019	Q3 2020
Tangible common equity to tangible assets						
Total common stockholders' equity	$ 168,251	$ 179,594	$ 196,954	$ 285,728	$ 281,403	$ 322,003
Less: Goodwill	27,329	27,329	27,329	27,329	27,329	27,329
Less: Other intangible assets	32,729	27,111	22,473	18,391	19,382	15,421
Tangible common equity (a)	108,193	125,154	147,152	240,008	234,692	279,253
Total assets	2,050,045	2,136,081	2,179,070	2,356,878	2,228,311	2,898,809
Less: Goodwill	27,329	27,329	27,329	27,329	27,329	27,329
Less: Other intangible assets	32,729	27,111	22,473	18,391	19,382	15,421
Tangible assets (b)	1,989,987	2,081,641	2,129,268	2,311,158	2,181,600	2,856,059
Tangible common equity to tangible assets (a)/(b)	5.44%	6.01%	6.91%	10.38%	10.76%	9.78%
Tangible common equity per common share						
Total stockholders' equity	$ 168,251	$ 179,594	$ 196,954	$ 285,728	$ 281,403	$ 322,003
Less: Goodwill	27,329	27,329	27,329	27,329	27,329	27,329
Less: Other intangible assets	32,729	27,111	22,473	18,391	19,382	15,421
Tangible common equity (c)	108,193	125,154	147,152	240,008	234,692	279,253
Common shares outstanding (d)	13,534	13,699	13,775	17,050	17,049	17,122
Tangible common equity per common share (c)/(d)	$ 7.99	$ 9.14	$ 10.68	$ 14.08	$ 13.77	$ 16.31
Return on average tangible common equity						
Net income	$ 14,036	$ 15,001	$ 25,866	$ 29,540	$ 21,888	$ 34,496
Less: Preferred stock dividends	25	-	-	-	-	-
Add: Intangible amortization expense (net of tax)	4,553	3,655	3,664	3,224	2,442	2,347
Remeasurement due to tax reform	-	4,818	-	-	-	-
Net income, excluding intangible amortization (e)	18,564	23,474	29,530	32,764	24,330	36,843
Average total equity	168,039	176,779	187,341	231,084	212,911	303,829
Less: Average preferred stock	2,514	-	-	-	-	-
Less: Average goodwill	25,698	27,329	27,329	27,329	27,329	27,329
Less: Average other intangible assets (net of tax)	22,372	19,358	19,522	16,101	16,502	13,343
Average tangible common equity (f)	117,455	130,092	140,490	187,654	169,080	263,157
Return on average tangible common equity (e)/(f)	15.81%	18.04%	21.02%	17.46%	19.24%	18.70%
Net interest margin (tax-equivalent)						
Net interest income	$ 62,940	$ 67,670	$ 75,224	$ 74,551	$ 56,092	$ 60,693
Tax equivalent adjustment	599	865	462	347	257	325
Tax equivalent net interest income (g)	63,539	68,535	75,686	74,898	56,349	61,018
Average earning assets (h)	1,750,104	1,833,002	1,970,004	2,052,758	2,024,814	2,534,038
Net interest margin (tax equivalent) (g)/(h)	3.63%	3.74%	3.84%	3.65%	3.72%	3.22%
Efficiency Ratio						
Noninterest expense	$ 143,792	$ 134,920	$ 136,325	$ 142,537	$ 106,102	$ 116,674
Less: Intangible amortization expense	7,005	5,623	4,638	4,081	3,091	2,971
Adjusted noninterest expense (i)	136,787	129,297	131,687	138,456	103,011	113,703
Net interest income	62,940	67,670	75,224	74,551	56,092	60,693
Noninterest income	105,089	103,045	102,749	114,194	84,639	110,675
Tax equivalent adjustment	599	865	462	347	257	325
Total tax equivalent revenue (j)	168,628	171,580	178,435	189,092	140,988	171,693
Efficiency ratio (i)/(j)	81.12%	75.36%	73.80%	73.22%	73.06%	66.22%