A background image of rippling water in shades of blue and grey, occupying the left side of the slide.

AUGUST 28, 2024

**BRIDGEWATER BANCSHARES, INC.**  
ACQUISITION OF FIRST MINNETONKA CITY BANK

 BRIDGEWATER BANCSHARES, INC.

The logo consists of a stylized, dark brown 'B' shape with a horizontal line through its center, resembling a bridge or a stylized letter.

# Disclaimer



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## 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 the Company. 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.

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 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 possibility that any of the anticipated benefits of the proposed merger will not be realized or will not be realized within the expected time period; the parties' inability to meet expectations regarding the timing of the proposed merger; the challenges of integrating and retaining key employees; the risk that integration of First Minnetonka City Bank's operations with those of Bridgewater Bank will be materially delayed or will be more costly or difficult than expected; changes to tax legislation and their potential effects on the accounting for the proposed merger; the failure of the proposed Merger to close for any reason, including the failure to satisfy other conditions to completion of the proposed Merger, including receipt of required regulatory and other approvals; diversion of management's attention from ongoing business operations and opportunities due to the proposed merger; the effect of the announcement of the proposed merger on Bridgewater Bancshares, Inc.'s, First Minnetonka Bancorporation, Inc.'s or the combined company's respective customer and employee relationships and operating results; the possibility that the proposed merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the amount of First Minnetonka Bancorporation's Tier 1 capital as of the closing date of the proposed merger and any potential downward adjustment in the merger consideration; changes in the global economy and financial market conditions and the business, results of operations and financial condition of Bridgewater Bancshares, Inc., First Minnetonka Bancorporation, Inc. and the combined company; and any other risks described in the "Risk Factors" sections of reports filed by Bridgewater Bancshares, Inc. with the Securities and Exchange Commission.

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# Strategic Benefits of the Acquisition of First Minnetonka City Bank (FMCB)



## Adds High Quality Bank With Complementary Strengths

- Reduces CRE concentration by adding a well-diversified loan portfolio focused on 1-4 family and leases
- Diversifies the revenue mix by adding incremental fee income via an investment advisory platform
- Fills in pure-play Twin Cities branch footprint by adding two Minnetonka branch locations
- Improves pro forma deposit market share to #9 in the Twin Cities<sup>1</sup>

## Enhances Deposit Base and Liquidity Profile

- Improves the deposit mix by adding a low-cost, granular core deposit base
- Enhances the liquidity profile by adding a balance sheet with a loan-to-deposit ratio of 61%
- Creates balance sheet optionality to put liquidity to work and/or pay down higher cost debt

## Low Risk Transaction

- Small, in-market acquisition of an established franchise with a 60-year history and strong cultural fit
- Leverages the recent scaling of our Enterprise Risk Management function
- Streamlines integration as both banks run on the same core banking platform
- Comprehensive due diligence and loan review processes

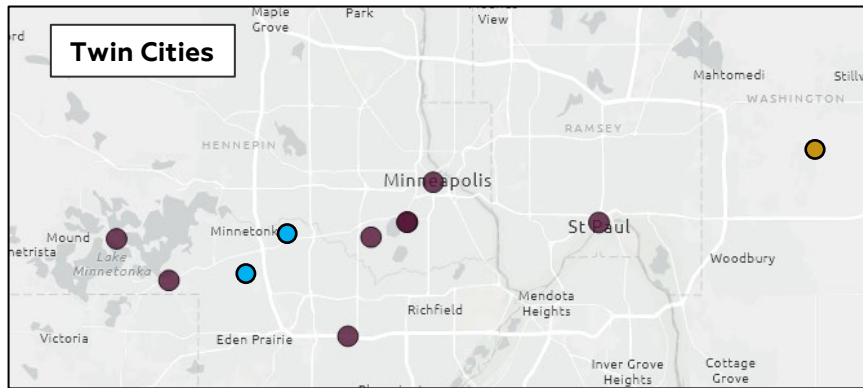
## Financially Compelling

- Estimated EPS accretion of 15% in 2025 with a tangible book value earnback period < 3 years
- Incremental operational efficiencies with expected cost savings of 30% in 2025 and 50% in 2026
- Estimated internal rate of return of 24%

<sup>1</sup> Source: S&P Capital IQ (data as of June 30, 2023)

# Creates A \$5 Billion Entrepreneurial Bank in the Twin Cities

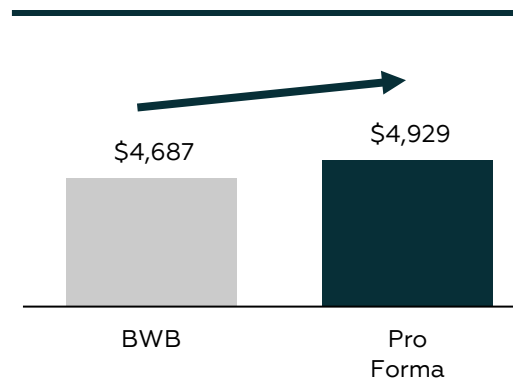
## Pro Forma Branch Map



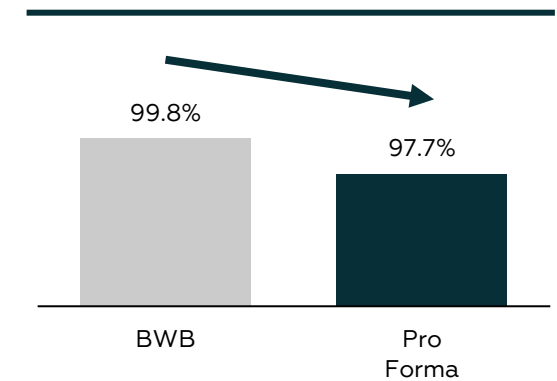
● BWB ● FMCB ● Future BWB Denovo Branch Site

## Strong Pro Forma Metrics Support Overall Business Model (2Q24)<sup>2</sup>

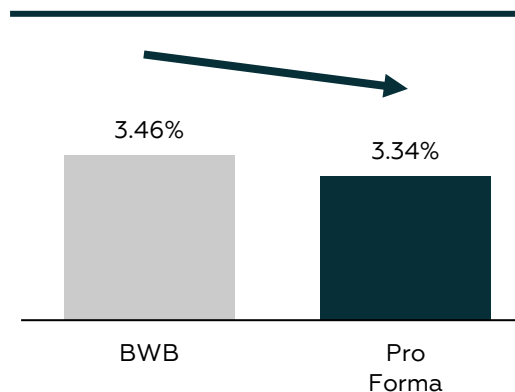
### Total Assets (\$M)



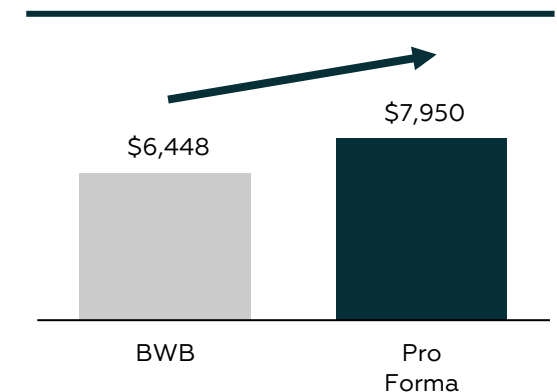
### Loan-to-Deposit Ratio (%)



### Cost of Total Deposits (%)



### LTM Noninterest Income (\$'000s)



## 9<sup>th</sup> Largest Pro Forma Deposit Market Share in the Twin Cities<sup>1</sup>

| Rank | Bank  | HQ  | Branches | Deposits (\$M) | Market Share |
|------|---|-----|----------|----------------|--------------|
| 1    | U.S. Bancorp                                    | MN  | 84       | \$ 95,116      | 40.02%       |
| 2    | Wells Fargo & Co.                               | CA  | 88       | \$ 50,360      | 21.19%       |
| 3    | Ameriprise Financial Inc.                       | MN  | 2        | \$ 20,933      | 8.81%        |
| 4    | Huntington Bancshares Inc.                      | OH  | 69       | \$ 6,565       | 2.76%        |
| 5    | Bank of Montreal                                | CAN | 27       | \$ 6,480       | 2.73%        |
| 6    | Bremer Financial Corp.                          | MN  | 19       | \$ 5,302       | 2.23%        |
| 7    | Bank of America Corp.                           | NC  | 18       | \$ 4,521       | 1.90%        |
| 8    | State Bancshares, Inc.                          | ND  | 7        | \$ 3,958       | 1.67%        |
| 9    | <b>Bridgewater Bancshares, Inc. (Pro Forma)</b> | MN  | 9        | \$ 3,842       | 1.62%        |
| 10   | Old National Bancorp                            | IN  | 29       | \$ 3,631       | 1.53%        |

<sup>1</sup> Source: S&P Capital IQ (data as of June 30, 2023)

<sup>2</sup> Pro forma metrics exclude purchase accounting adjustments

# First Minnetonka City Bank – A Classic Minnesota Community Bank



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## First Minnetonka City Bank

- Headquarters: Minnetonka, MN
- Year Established: 1964
- Branches: 2 Full-Service Retail Branches



## Franchise Highlights

- Wide range of commercial, small business and consumer banking services, including retirement, employee benefits and investment advisory
- Attractive low-cost, granular deposit base with a low loan-to-deposit ratio
- Pristine asset quality including YTD net charge-offs/average loans of 0.07% and NPAs/assets of 0.08%
- Superior 5-Star Bauer rating<sup>1</sup>

## 2Q24 Financial Highlights

**\$242M**

Total Assets

**2.56%**

Net Interest Margin

**19.8%**

Noninterest Income /  
Revenue

**61%**

Loan-to-Deposit Ratio

**1.47%**

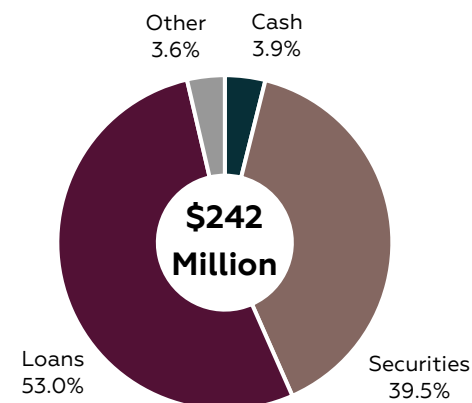
Cost of Funds

**0.08%**

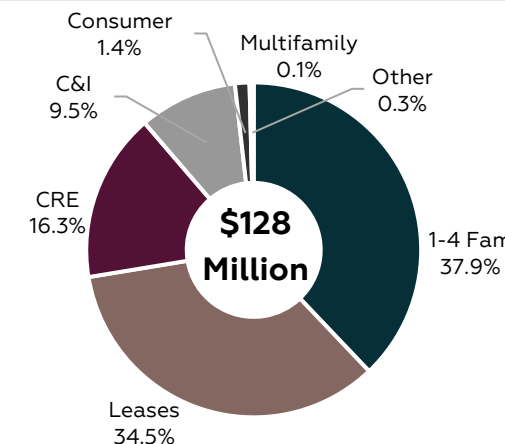
Nonperforming Assets /  
Assets

## 2Q24 Asset Composition

### Asset Mix



### Loan Mix



- High quality securities portfolio with 100% rated A or better and 86% rated AAA
- **Securities mix:**
  - Agency MBS (53%)
  - Treasuries (31%)
  - Municipal Bonds (16%)
- No held-to-maturity securities
- **YoY loan growth: 3.3%**
- **Loan yield: 6.09%**
- **CRE / RBC: 7%**
- **NOO CRE exposure: \$2.2M**
- 36% of the loan portfolio matures over the next 3 years

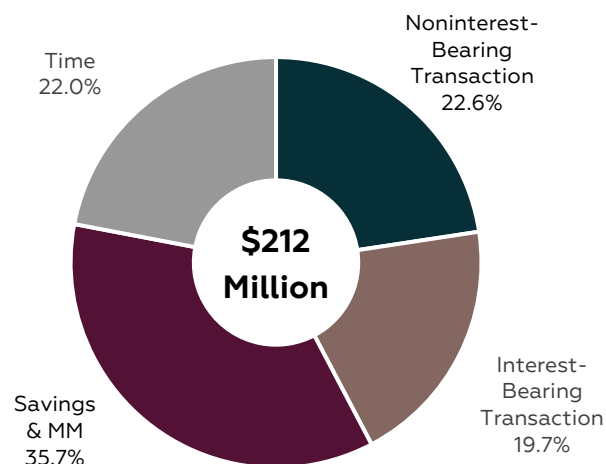
<sup>1</sup> Source: Bauer Financial

# High Quality Deposit Base Enhances Liquidity Profile



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## FMCB 2Q24 Deposit Composition



## FMCB's Low-Cost, Granular Core Deposit Base

|                                  |  |  |   |                                     |
|----------------------------------|--|--|---|-------------------------------------|
| <b>1.34%</b><br>Cost of Deposits | <b>95.4%</b><br>Core Deposits <sup>1</sup> | <b>22.6%</b><br>Noninterest-Bearing Deposits | <b>No</b><br>Brokered Deposits          | <b>71%</b><br>Deposits Below \$250K |
| <b>~9,000</b><br>Deposit Clients | <b>~\$4K</b><br>Median Account Balance     | <b>\$106M</b><br>Deposits per Branch         | <b>15 Yrs</b><br>Average Age of Account | <b>61%</b><br>Loan-to-Deposit Ratio |

Acquisition and Enhanced Liquidity Profile Create Balance Sheet Optionality for BWB, such as:

Accelerate  
Loan Growth

Pay Off Higher Cost  
Wholesale Borrowings

Reposition Balance  
Sheet via FMCB  
Securities Sale

Retain Elevated  
Liquidity Position

<sup>1</sup>Total deposits less brokered deposits and certificates of deposit greater than \$250,000

# Pro Forma Loan and Deposit Composition

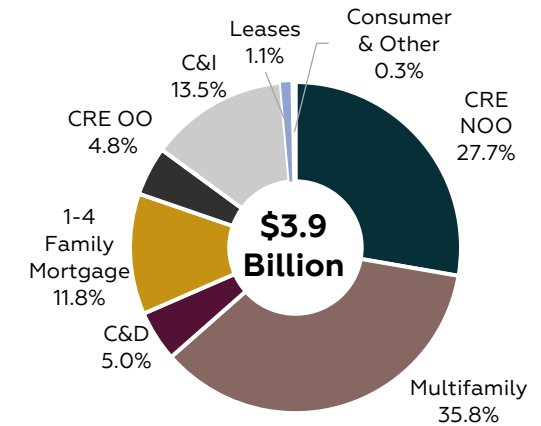
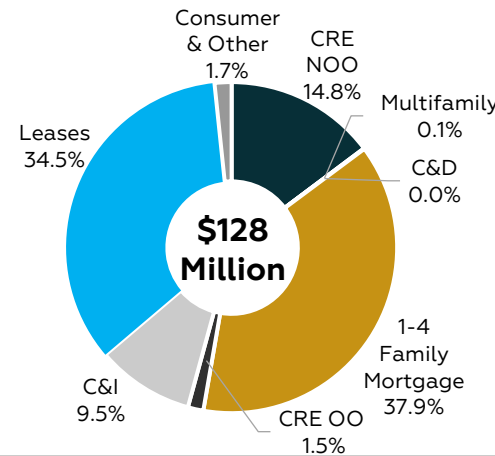
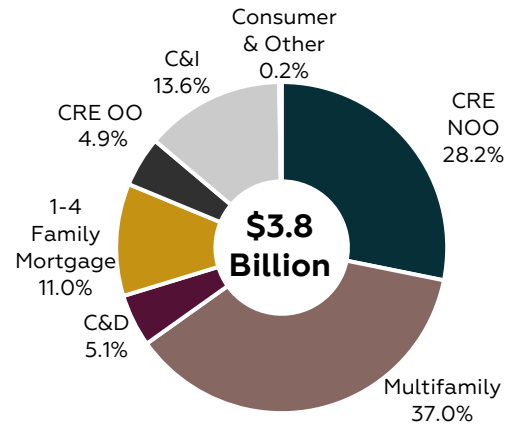


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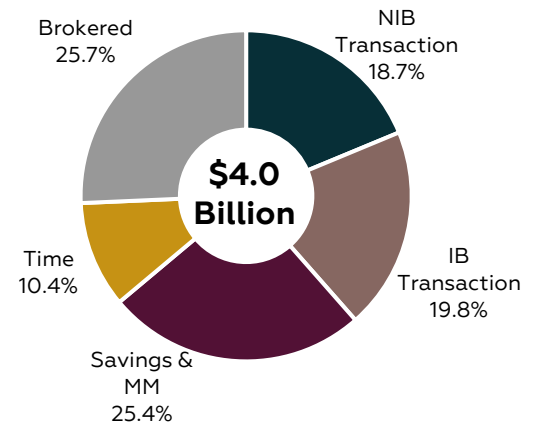
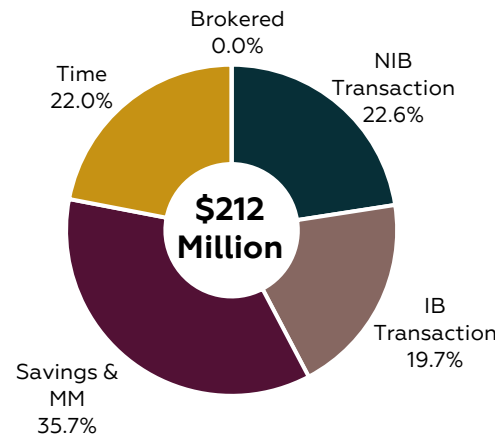
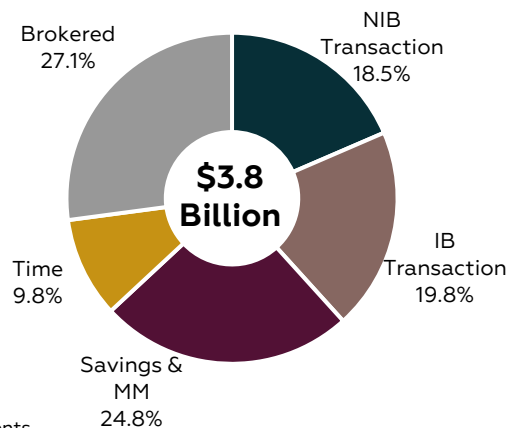


Pro Forma<sup>1</sup>

Loan Composition



Deposit Composition



<sup>1</sup>Excludes purchase accounting adjustments

# Transaction Terms and Assumptions

|                                  |  |
|----------------------------------|--|
| <b>Structure</b>                 | <ul style="list-style-type: none"><li>• Bank level transaction for both entities</li></ul>   |
| <b>Consideration</b>             | <ul style="list-style-type: none"><li>• 100% cash transaction value structured as an asset purchase for tax purposes</li><li>• Includes minimum Tier 1 capital requirement to be delivered by FMCB</li></ul>   |
| <b>Purchase Accounting Marks</b> | <ul style="list-style-type: none"><li>• Credit mark of \$0.9 million on the total loan portfolio</li><li>• Interest rate mark of \$6.1 million on the total loan portfolio</li><li>• No fair value adjustments on the securities portfolio</li></ul> |
| <b>Core Deposit Intangible</b>   | <ul style="list-style-type: none"><li>• 4.1% of FMCB's core deposits, amortized over a 10-year period</li></ul>  |
| <b>Merger Costs</b>              | <ul style="list-style-type: none"><li>• \$2.7 million , pre-tax (\$2.0 million after-tax)</li></ul>  |
| <b>Est. Cost Savings</b>         | <ul style="list-style-type: none"><li>• 30% of FMCB's projected noninterest expense base in 2025 and 50% in 2026</li><li>• Fully phased-in during 2025</li></ul>   |
| <b>Revenue Synergies</b>         | <ul style="list-style-type: none"><li>• Opportunities identified but not modeled</li></ul>   |
| <b>Timing &amp; Approvals</b>    | <ul style="list-style-type: none"><li>• Anticipated closing in 4Q24</li><li>• Customary regulatory approvals required</li><li>• Anticipated systems conversion in 2Q25</li></ul>   |
| <b>Other Assumptions</b>         | <ul style="list-style-type: none"><li>• Partial sale of FMCB's securities portfolio to redeploy into loans at market rates</li><li>• Model does not assume potential tax benefits of asset purchase structure</li></ul>                              |



# Estimated Financial Impact



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## Financial Impact

|                            |           |
|----------------------------|-----------|
| 2025E<br>EPS Accretion     | 15%       |
| TBV<br>Earnback Period     | < 3 Years |
| TBV<br>Dilution            | 5%        |
| Internal Rate<br>of Return | 24%       |

## Pro Forma Capital Ratios at Close

|                          |        |
|--------------------------|--------|
| TCE /<br>Tangible Assets | 7.34%  |
| CET 1<br>Ratio           | 8.81%  |
| Tier 1<br>Ratio          | 10.36% |
| Tier 1 Leverage<br>Ratio | 9.03%  |
| Total RBC<br>Ratio       | 13.41% |

# Comprehensive Due Diligence Process



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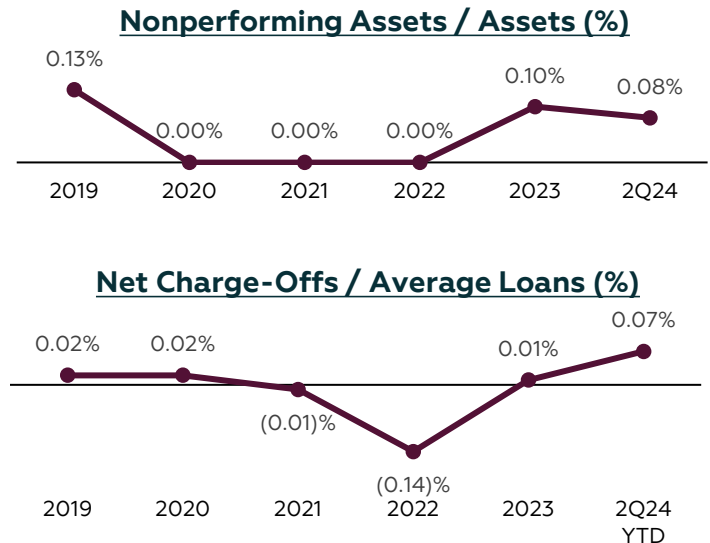
## Due Diligence Overview

- Comprehensive and collaborative due diligence process over a three month period
- Significant engagement across all functional areas with day-to-day involvement of BWB's Strategic Leadership Team
- Due diligence process involved third party support from external valuation consultant and legal counsel
- Detailed loan portfolio and asset quality review
- Both banks use the same core banking system (Fiserv Premier), which should streamline integration and conversion costs and processes

## Scope of Loan Review Process

- Reviewed all loan types with a special emphasis on commercial, leasing and first mortgage residential loans
- Effectively evaluated approximately 90% of the total loan portfolio
- Reviewed all loans over \$600K, which represented the 25 largest loans
- Reviewed all loans rated Watch or below and all participations purchased
- Reviewed loan policies, problem loan reports and spoke with senior leadership to better understand lending practices

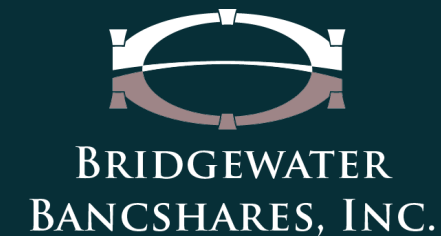
## FMCB's Strong Credit Profile



## Due Diligence Focus Areas

|                          |                      |                       |                        |                             |               |
|--------------------------|----------------------|-----------------------|------------------------|-----------------------------|---------------|
| Financial and Accounting | Tax                  | Regulatory Compliance | Operations             | Internal and External Audit | Legal Matters |
| Credit Review            | Securities Portfolio | Human Resources       | Information Technology | Interest Rate Management    | Facilities    |

# Complementary Acquisition Enhances Position for Future Success



**Improves the deposit mix** by adding a low-cost, granular core deposit base

**Enhances the liquidity profile** by adding a balance sheet with a low loan-to-deposit ratio of 61%

**Creates balance sheet optionality** to put liquidity to work and/or pay down wholesale borrowings

**Reduces CRE concentration** by adding a well-diversified loan portfolio focused on 1-4 family and leasing

**Diversifies the revenue mix** by adding incremental fee income via an investment advisory platform

**Provides a low-risk M&A integration** through a small, in-market acquisition of an established, 60-year-old bank

**Accelerates existing strategic priorities** by supporting profitable growth, increasing market share and creating efficiencies across the business