



BNCCORP

NEWS RELEASE

FOR FURTHER INFORMATION:

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BNCCORP, INC. REPORTS FOURTH QUARTER NET INCOME OF \$2.3 MILLION, OR \$0.64 PER DILUTED SHARE

Highlights

- Net income during the fourth quarter of 2024 increased \$106 thousand or 4.9%, to \$2.3 million, or \$0.64 per diluted share, from \$2.2 million, or \$0.60 per diluted share, in the 2023 period.
- During the fourth quarter, the Company announced a \$4.00 per share special cash dividend.
- Fourth quarter 2024 return on average assets of 0.96% compared to 0.91% in the 2023 period.
- The efficiency ratio improved to 66.68% in the fourth quarter of 2024 versus 70.03% in the fourth quarter of 2023.
- For the quarter, the Community Banking segment reported net income of \$2.5 million, or \$0.71 per diluted share, compared to net income of \$2.4 million, or \$0.66 per diluted share, in the same period of 2023.
- Yield on loans held for investment was 5.73% for the fourth quarter of 2024 compared to 5.47% in the fourth quarter of 2023.
- Loans held for investment increased \$29.9 million, or 4.5%, to \$698.7 million at December 31, 2024 from \$668.8 million at December 31, 2023.
- The ratio of loans held for investment-to-deposits increased to 83.4% at December 31, 2024 from 79.9% at December 31, 2023.
- Allowance for credit losses as of December 31, 2024, decreased to 1.32% of loans held for investment compared to 1.39% as of December 31, 2023.

BISMARCK, ND, January 31, 2025 – BNCCORP, INC. (BNC or the Company) (OTCQX Markets: BNCC), which operates community banking and wealth management businesses in North Dakota and Arizona, today reported financial results for the fourth quarter and full year ended December 31, 2024.

Management Commentary

“Our quarterly and full-year results are testaments to the validity of our strategic approach and our ability to execute on that strategy,” said Daniel J. Collins, BNC’s President and Chief Executive Officer. “The Company again delivered consistent earnings while maintaining a strong balance sheet that made it possible to reward shareholders through the declaration of a \$4 per share special cash dividend in the fourth quarter paid in the first quarter of 2025,”

“After experiencing elevated loan pay-offs during the third quarter, the fourth quarter saw a return to the steady growth of the first two quarters of the year. The 2.5% loan growth in the fourth quarter translated into 4.5% growth for the full year. This growth occurred even as we continued to increase loan yields. Building quality loan relationships while maintaining deposits at responsible liquidity and cost levels has resulted in a net interest margin of 3.57% for the fourth quarter 2024 compared to 3.60% in 2023.

“Our continued focus on our core strength – our community banking – helped produce consistent earnings of \$1.7 million, \$1.9 million, and \$2.1 million and \$2.3 million sequentially in the four quarters of 2024 even in the face of economic uncertainty.

“As we enter 2025, our focus remains on steady growth, disciplined lending, prudent expense control, and strong risk management. Focusing on these fundamentals helps us maintain a sound financial posture and supports our ability to execute with quality and consistency.”

2024 Versus 2023 Fourth Quarter Comparison

SEGMENT DATA

(in thousands)

	For the Quarter Ended December 31, 2024				
	Community Banking	Mortgage Banking (a)	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	\$ 8,146	\$ -	\$ (223)	\$ -	\$ 7,923
Provision for credit losses	280	-	-	-	280
Non-interest income	1,537	-	557	(621)	1,473
Non-interest expense	6,181	-	705	(621)	6,265
Income (loss) before taxes	3,222	-	(371)	-	2,851
Income tax expense (benefit)	713	-	(119)	-	594
Net income (loss)	\$ 2,509	\$ -	\$ (252)	\$ -	\$ 2,257

	For the Quarter Ended December 31, 2023				
	Community Banking	Mortgage Banking	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	\$ 8,098	\$ 95	\$ (227)	\$ -	\$ 7,966
Provision for credit losses	180	-	-	-	180
Non-interest income	1,599	3	504	(563)	1,543
Non-interest expense	6,522	(13)	713	(563)	6,659
Income (loss) before taxes	2,995	111	(436)	-	2,670
Income tax expense (benefit)	636	27	(144)	-	519
Net income (loss)	\$ 2,359	\$ 84	\$ (292)	\$ -	\$ 2,151

(a) The Company divested the mortgage banking segment in 2023.

The Community Banking Segment reported net income of \$2.5 million, or \$0.71 per diluted share, for the quarter compared to \$2.4 million, or \$0.66 per diluted share, in the fourth quarter of 2023. Interest expense increased by \$440 thousand when compared to the 2023 period due to Federal Reserve rate increases and a \$10.0 million increase in average interest-bearing deposits compared to the prior year period. The increase in interest expense was offset by \$487 thousand of interest income from loan growth and increased yields on earning assets. The Community Banking Segment reported \$62 thousand in lower non-interest income primarily due to a \$93 thousand decrease in off-balance sheet deposit income and \$18 thousand less in interchange income that was partially offset by higher wealth management revenue. Non-interest expense decreased by \$341 thousand in the 2024 period primarily due to lower salary and benefit expense of \$127 thousand and a reversal of \$150 thousand from the mortgage obligation reserve, leaving \$218 thousand of reserves at December 31, 2024. The Company reduced expenses in a number of categories, reductions were partially offset by slightly higher data processing fees and increased depreciation expense during the current period. The Company has lowered the number of its full-time equivalent employees by 5.6% since December 31, 2023.

Consolidated net interest income for the fourth quarter of 2024 was \$7.9 million, a decrease of \$43 thousand, or 0.5%, from \$8.0 million in the fourth quarter of 2023. Net interest margin was 3.57% in the fourth quarter of 2024 compared to 3.60% reported in the prior year period. The increase in interest-bearing cash and loans held for investment was more than offset by a lower volume of debt securities and

a meaningful increase in the cost of deposits.

On a consolidated basis, fourth-quarter interest income increased \$394 thousand, or 3.4%, from \$11.5 million in the 2023 period to \$11.9 million in 2024. The 5.36% average yield on interest-earning assets in the quarter improved from the 5.19% in the fourth quarter of 2023 because of a \$14.0 million increase in cash and cash equivalents and a \$13.2 million quarter-over-quarter increase in the average balance of loans held for investment. Those increases were partially offset by lower debt securities. The weighted average interest rate on loans held for investment originated in the fourth quarter of 2024 was 7.32%, compared to 7.40% during the fourth quarter of 2023.

Consolidated interest expense in the fourth quarter of 2024 was \$4.0 million, an increase of \$437 thousand from the 2023 period. As a result, the cost of core deposits in the fourth quarter of 2024 rose modestly to 1.83% versus 1.60% in the fourth quarter of 2023.

The consolidated average balance of deposits decreased by \$2.3 million compared to the fourth quarter of 2023. The cost of interest-bearing liabilities was 2.42% during the fourth quarter of 2024, compared to 2.18% in the same period of 2023. The Company has managed its overall cost of deposits at levels well below the prevailing brokered deposit rates offered by national brokerage firms even while staying focused on maintaining strong liquidity levels.

As of December 31, 2024, nonperforming assets were \$6.3 million, representing a ratio of nonperforming assets to total assets of 0.65%, an increase from the \$3.4 million in nonperforming assets, a 0.35% ratio of nonperforming assets to total assets, held on December 31, 2023. At December 31, 2024, \$5.4 million of the \$6.3 million in nonperforming loans were SBA loans supported by material government guarantees. When excluding the loan balances covered by government guarantees, the Company's non-forming assets to total assets ratio was 0.22% on December 31, 2024. The Company recorded a \$280 thousand provision for credit losses in the fourth quarter of 2024 compared to a \$180 thousand provision in the fourth quarter of 2023. The allowance for credit losses decreased to 1.32% of loans held for investment as of December 31, 2024 compared to 1.39% on December 31, 2023. During the fourth quarter of 2024, the Company charged-off loan balances on longer-term workout credits that were fully reserved through the allowance for credit losses.

Non-interest income for the Community Banking Segment during the fourth quarter of 2024 was \$1.5 million, compared to \$1.6 million in the 2023 fourth quarter. Bank charges and service fees were \$128 thousand lower quarter-over-quarter primarily due to lower deposits held in one-way sell positions. Using an associated banking network, the Company generates fee income on deposits not otherwise deployed by placing those deposits with other financial institutions to meet their liquidity needs. The deposits can be reclaimed for future liquidity use by the Company at any time. Fees derived from the movement of deposits off the balance sheet can fluctuate significantly based on our customers' excess funding needs. As of December 31, 2024, off-balance sheet deposits were \$18.5 million compared to \$34.8 million as of December 31, 2023.

Non-interest expense for the Community Banking Segment during the fourth quarter of 2024 decreased \$341 thousand, or 5.2%, year-over-year, primarily due to \$127 thousand lower salary and benefit expense and a reversal of \$150 thousand from the mortgage obligation reserve. The Company reported increased data processing and depreciation expense, but these increases were more than offset by lower expenses in other categories compared to the same period of 2023.

In the fourth quarter of 2024, consolidated income tax expense was \$594 thousand, compared to \$519 thousand in the fourth quarter of 2023. The effective tax rate was 20.8% in the fourth quarter of 2024, compared to 19.4% in the same period of 2023.

Tangible book value per common share on December 31, 2024, was \$26.60, compared to \$30.38 at December 31, 2023. The decrease in tangible book value per common share was driven by increased earnings that were offset by the change in accumulated other comprehensive income, the \$2.25 dividend declared on February 2, 2024, the \$4.00 dividend declared on December 18, 2024, and the repurchase of 50,000 shares of the Company's common stock during the first quarter of 2024 at a total cost of \$1.2 million, or approximately \$23.25 per share. The Company's tangible common equity capital ratio was 9.68% as of December 31, 2024, compared to 11.19% on December 31, 2023.

2024 Versus 2023 Year-End Comparison

SEGMENT DATA

(in thousands)

	For the Twelve Months Ended December 31, 2024				
	Community Banking	Mortgage Banking (a)	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	\$ 31,997	\$ -	\$ (939)	\$ -	\$ 31,058
Provision for credit losses	635	-	-	-	635
Non-interest income	6,196	-	2,288	(2,591)	5,893
Non-interest expense	25,645	-	2,998	(2,591)	26,052
Income (loss) before taxes	11,913	-	(1,649)	-	10,264
Income tax expense (benefit)	2,755	-	(419)	-	2,336
Net income (loss)	\$ 9,158	\$ -	\$ (1,230)	\$ -	\$ 7,928

	For the Twelve Months Ended December 31, 2023				
	Community Banking	Mortgage Banking	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	\$ 32,617	\$ 568	\$ (875)	\$ -	\$ 32,310
Provision for credit losses	815	-	-	-	815
Non-interest income	7,354	3,641	2,134	(3,125)	10,004
Non-interest expense	25,590	8,768	2,950	(3,125)	34,183
Income (loss) before taxes	13,566	(4,559)	(1,691)	-	7,316
Income tax expense (benefit)	3,181	(1,131)	(439)	-	1,611
Net income (loss)	\$ 10,385	\$ (3,428)	\$ (1,252)	\$ -	\$ 5,705

(a) The Company divested the mortgage banking segment in 2023.

The Community Banking Segment reported net income of \$9.2 million, or \$2.58 per diluted share, in 2024 compared to \$10.4 million, or \$2.90 per diluted share in 2023. Interest expense increased by \$4.4 million when compared to 2023 because of rate changes made by the Federal Reserve in addition to the \$14.1 million increase in average interest bearing deposits when compared to the prior year period. The increase in interest expense during 2024 was partially offset by \$3.7 million higher interest income from loan growth and increased yields on earning assets. In 2024, the Community Banking Segment reported \$1.2 million lower non-interest income compared to 2023 primarily due to a \$513 thousand decrease in off-balance sheet deposit income and \$662 thousand less in management fee income from the Mortgage Segment that was partially offset by higher SBIC and BOLI revenues when compared to 2023. Non-interest expense was slightly higher in the 2024 period due to significant inflationary pressures on salaries and benefits, increased data processing fees, regulatory and other expense that were partially offset by lower professional services, marketing expense, and office supplies and postage compared to the same period in 2023. As noted above, the Company has lowered the number of its full-time equivalent employees by 5.6% since December 31, 2023.

Consolidated net interest income in 2024 was \$31.1 million, a decrease of \$1.2 million, or 3.9%, from \$32.3 million in 2023. Net interest margin was 3.54% in 2024 compared to 3.70% reported in the prior year. The increase in interest-bearing cash and loans held for investment at higher yields was more than

offset by a lower volume of debt securities and loans held for sale and a significant increase in the cost of deposits.

On a consolidated basis, 2024 interest income increased \$3.2 million, or 7.3%, from \$43.3 million to \$46.5 million. The 5.30% average yield on interest-earning assets in 2024 was higher than the 4.96% average yield in 2023 because of a \$36.3 million year-over-year increase in the average balance of loans held for investment at higher yields and higher yields and balances of cash and cash equivalents. Those increases were partially offset by lower average balances of debt securities and loans held for sale.

Consolidated interest expense in 2024 was \$15.4 million, an increase of \$4.4 million from the 2023 period. As a result, the cost of core deposits in 2024 rose to 1.79% versus 1.24% in 2023.

The average balance of deposits increased by \$1.5 million compared to 2023. The cost of all interest-bearing liabilities was 2.39% during 2024, compared to 1.74% in 2023. The Company has managed its overall cost of deposits at levels well below the prevailing brokered deposit rates offered by national brokerage firms even while staying focused on maintaining strong liquidity levels.

Non-interest income for the Community Banking Segment in 2024 was \$6.2 million, compared to \$7.4 million in 2023. Bank charges and service fees were \$625 thousand lower period-over-period primarily due to lower deposits held in one-way sell positions and lower interchange income. Fees derived from the movement of deposits off the balance sheet can fluctuate significantly based on our customers' excess funding needs. As of December 31, 2024, off-balance sheet deposits amounted to \$18.5 million compared to \$34.8 million as of December 31, 2023. Consolidated other income in 2024 increased by \$203 thousand compared to 2023 because of a reduction of \$113 thousand on losses on sale of fixed assets when compared to the 2023 period along with higher SBIC and BOLI revenue recorded in 2024.

Non-interest expense for the Community Banking Segment in 2024 increased \$55 thousand, or 0.2%, year-over-year. The modest increase is a result of expense management efforts that have been largely offset by inflationary pressures on salaries and benefits and data processing expenses.

In 2024, consolidated income tax expense was \$2.3 million, compared to \$1.6 million in 2023. The effective tax rate was 22.8% in 2024, compared to 22.0% in 2023.

Assets and Liabilities

At the consolidated level, total assets were \$966.7 million at December 31, 2024 versus \$968.2 million at December 31, 2023. Total loans held for investment were \$698.7 million on December 31, 2024 compared to \$668.8 million on December 31, 2023. Debt securities decreased \$30.3 million from year-end 2023, primarily due to normal amortization, while cash and cash equivalent balances totaled \$100.8 million on December 31, 2024 compared to \$102.5 million on December 31, 2023.

Total deposits increased \$297 thousand to \$837.5 million as of December 31, 2024, from a balance of \$837.2 million on December 31, 2023. The Company also maintains off-balance sheet transactional deposits accounts and off-balance sheet time deposit accounts. Off-balance sheet deposits can fluctuate significantly as customers' cash sources or uses change. The Company remains committed to cultivating new deposit relationships and prioritizing liquidity.

The following table provides additional detail to the Company's total deposit relationships:

(In thousands)	As of		
	December 31, 2024	September 30, 2024	December 31, 2023
Deposits:			
Non-interest-bearing	\$ 172,456	\$ 174,620	\$ 184,442
Interest-bearing –			
Savings, interest checking and money market	579,608	540,910	582,855
Time deposits	85,436	80,297	69,906
Total on balance sheet deposits	<u>837,500</u>	<u>795,827</u>	<u>837,203</u>
Off-balance sheet deposits (1)	<u>18,531</u>	<u>20,087</u>	<u>34,792</u>
Total available deposits	<u>\$ 856,031</u>	<u>\$ 815,914</u>	<u>\$ 871,995</u>

(1) The off-balance sheet deposits above do not include off-balance sheet time deposits that can be brought back on the balance sheet at various future maturity dates. As of December 31, 2024, the Company managed off-balance sheet time deposit balances of \$13.9 million, compared to \$20.1 million time deposit balances as of September 30, 2024 and \$18.7 million time deposit balances as of December 31, 2023.

The Company remains highly focused on meeting the needs of its customers and ensuring deposit rates reflect changing market conditions. The Company estimates that deposit insurance and other deposit protection programs secure approximately 69% of its customers' deposit balances. This fact, combined with our strong balance sheet and sustained management focus on the Company's relationship-focused culture, has contributed to the Company's ability to maintain a significant deposit base.

Off-balance sheet accounts are primarily utilized to accommodate larger business customers with significant deposits who require daily access to funds and desire FDIC insurance coverage. These off-

balance sheet deposits were \$34.8 million at year-end 2023 and decreased to \$18.5 million at December 31, 2024. Off-balance sheet deposits can fluctuate greatly as customers' needs and objectives evolve. The Company earns non-interest income through the associated banking network for the utilization of these funds.

Trust assets under administration increased 10.1%, or \$39.2 million, to \$428.0 million at December 31, 2024, from \$388.8 million at December 31, 2023. During 2024, the Company benefited from material market value increases in trust assets as well as the acquisition of new assets under administration.

Asset Quality

The allowance for credit losses was \$9.2 million as of December 31, 2024, versus \$9.3 million on December 31, 2023. The allowance as a percentage of loans held for investment on December 31, 2024 decreased from 1.39% as of December 31, 2023 to 1.32% at current quarter end.

Past due loans for a period of 31-89 days decreased to \$1.2 million as of December 31, 2024, compared to \$4.8 million as of December 31, 2023. Nonperforming assets were \$6.3 million on December 31, 2024, compared to \$3.4 million on December 31, 2023. The increase in nonperforming assets is primarily due to the movement of one large 90% guaranteed SBA loan to non-accrual status. The ratio of nonperforming assets-to-total-assets was 0.65% at December 31, 2024 versus 0.35% at December 31, 2023. At December 31, 2024, \$5.4 million, or 86%, of the \$6.3 million in nonperforming loans were SBA loans supported by material government guarantees. When excluding the loan balances covered by government guarantees, the Company's non-performing assets to total assets ratio was 0.22% on December 31, 2024. As of December 31, 2024, the Company did not hold any other real estate and held \$33 thousand in repossessed assets. As of December 31, 2023, the Company did not hold any other real estate and held \$33 thousand in repossessed assets.

As of December 31, 2024, classified loans were \$4.7 million compared to year-end 2023 where the Company held \$5.3 million of classified loans. As of December 31, 2024 and December 31, 2023, the Company had \$12.2 million and \$2.4 million, respectively, of potentially problematic loans, which are risk-rated as "special mention".

Significant macroeconomic and geopolitical factors are present and evolving; the Company continues to

monitor the possible impact of these factors on the performance of the loan portfolio.

BNC's loans held for investment are geographically concentrated in North Dakota and Arizona, comprising 56% and 23%, respectively, of the Company's total loans held for investment portfolio.

The North Dakota economy is influenced by the energy and agriculture industries. Changes in energy supply and demand have recently caused an increase in oil prices to the benefit of the oil industry and ancillary services. Potential risks to North Dakota's energy industry include the possibility of adverse national legislation and changes in economic conditions that reduce energy production. Depending on the severity of their impact, these factors could present potential challenges to credit quality in North Dakota.

The Arizona economy continues to diversify, but continues to be influenced by the leisure and travel industries. Positive trends in both industries have been noted, but an extended slowdown in these industries may negatively impact credit quality in Arizona. While the Company's portfolio includes various sized loans spread over a large number of industry sectors, it has meaningful concentrations of loans to the hospitality and commercial real estate industries.

The following table approximately describes the Company's concentrations by industry:

Loans Held for Investment by Industry Sector

(in thousands)

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
Non-owner Occupied Commercial Real estate – not otherwise categorized	\$ 192,741	28 %	\$ 198,428	30 %
Consumer, not otherwise categorized	99,243	14	99,702	15
Hotels	86,863	12	83,985	13
Agriculture, forestry, fishing and hunting	36,763	5	33,503	5
Retail trade	34,186	5	35,827	5
Healthcare and social assistance	32,447	5	32,011	5
Transportation and warehousing	31,124	5	27,905	4
Art, entertainment and recreation	27,747	4	27,507	4
Non-hotel accommodation and food service	27,288	4	24,637	4
Mining, oil and gas extraction	23,685	4	22,149	3
Real estate and rental and leasing support services	15,385	2	9,804	2
Manufacturing	15,333	2	7,801	1
Other service	14,325	2	11,940	2
Construction contractors	13,938	2	16,082	2
Educational services	13,595	2	4,246	1
Professional, scientific, and technical services	9,854	1	9,570	1
Finance and insurance	8,586	1	6,781	1
Public administration	7,357	1	7,837	1
All other	7,322	1	8,051	1
Gross loans held for investment	<u>\$ 697,782</u>	<u>100 %</u>	<u>\$ 667,766</u>	<u>100 %</u>

The Company's loans to the hospitality industry have shown signs of improved credit quality that are reflected by improved hotel occupancy and restaurant utilization trends. Hotel operators in BNC's loan portfolio are reporting positive trends and, in some cases, stronger balance sheets. Despite these positive indications, labor shortages limit the ability of the industry to fully capitalize on these trends and the potential for inflationary impacts on travel and leisure activities continue to be closely monitored. As of December 31, 2024, the Company's loans related to office space were 3.30% of loans held for investment, and are primarily concentrated in North Dakota, with only 0.76% within the Arizona market.

Capital

Banks and bank holding companies operate under separate regulatory capital requirements. As of December 31, 2024, the Company's capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

A summary of BNC's capital ratios is presented below:

	December 31, 2024	December 31, 2023
BNCCORP, INC. (Consolidated)		
Tier 1 leverage	12.75%	14.52%
Common equity tier 1 risk based capital	12.36%	14.58%
Tier 1 risk based capital	14.22%	16.49%
Total risk based capital	15.35%	17.64%
Tangible common equity	9.68%	11.19%
BNC National Bank		
Tier 1 leverage	11.89%	12.54%
Common equity tier 1 risk based capital	13.25%	14.25%
Tier 1 risk based capital	13.25%	14.25%
Total risk based capital	14.38%	15.40%
Tangible common equity	10.49%	10.96%

The Common Equity Tier 1 ratio, which is generally a comparison of a bank's core equity capital to its total risk weighted assets, is a measure of the current risk profile of the Bank's asset base from a regulatory perspective. The Tier 1 leverage ratio, which is based on average assets, does not consider the mix of risk-weighted assets.

The Company regularly evaluates the sufficiency of its capital to ensure compliance with regulatory capital standards and to serve as a source of strength for the Bank. The Company manages capital by assessing the composition of capital and the amounts available for growth, risk, or other purposes.

The Company made an election at the adoption of BASEL III to exclude changes in accumulated other comprehensive income from the calculation of regulatory ratios.

The decrease in capital ratios was primarily due to the \$2.25 one-time special dividend declared and paid in the first quarter of 2024, which paid from cash held at the holding company. Additionally, the Company declared a one-time special cash dividend of \$4.00 in December of 2024 that was paid in January of 2025. The \$4.00 one-time special cash dividend was funded by proceeds from a dividend by BNC National Bank to the holding company.

Share Repurchases

In December 2020, our Board of Directors approved a share repurchase program authorizing the Company to repurchase up to 175,000 shares of BNCCORP, INC. outstanding common stock. During the first quarter of 2024, the Company repurchased 50,000 shares of common stock for a total cost of \$1.2 million, or approximately \$23.25 per share. No other share repurchases of common stock were made by the Company during 2024. As of December 31, 2024, there was 125,000 shares remaining under the Board of Directors' current authorized share repurchase program.

About BNCCORP, INC.

BNCCORP, INC., headquartered in Bismarck, N.D., is a registered bank holding company dedicated to providing banking and wealth management services to businesses and consumers in its local markets. The Company operates community banking and wealth management businesses in North Dakota and Arizona from 11 locations.

This news release may contain "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of BNC. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management are generally identifiable by the use of words such as "expect", "believe", "anticipate", "at the present time", "plan", "optimistic", "intend", "estimate", "may", "will", "would", "could", "should", "future" and other expressions relating to future periods. Examples of

forward-looking statements include, among others, statements we make regarding our expectations regarding future market conditions and our ability to capture opportunities and pursue growth strategies, our expected operating results such as revenue growth and earnings and our expectations of the effects of the regulatory environment or future pandemics on our earnings for the foreseeable future. Forward-looking statements are neither historical facts nor assurances of future performance. 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, but are not limited to: the impact of pandemics, the impact of current and future regulation; the risks of loans and investments, including dependence on local and regional economic conditions; competition for our customers from other providers of financial services; possible adverse effects of changes in interest rates, including the effects of such changes on derivative contracts and associated accounting consequences; risks associated with our acquisition and growth strategies; and other risks which are difficult to predict and many of which are beyond our control. In addition, all statements in this news release, including forward-looking statements, speak only of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

This press release contains references to financial measures, which are not defined in GAAP. Such non-GAAP financial measures include tangible common equity to total period end assets ratio. These non-GAAP financial measures have been included as the Company believes they are helpful for investors to analyze and evaluate the Company's financial condition.

(Financial tables attached)

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BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended December 31,		For the Twelve Months Ended December 31,	
	2024	2023	2024	2023
INCOME STATEMENT				
Interest income	\$ 11,883	\$ 11,489	\$ 46,455	\$ 43,278
Interest expense	3,960	3,523	15,397	10,968
Net interest income	7,923	7,966	31,058	32,310
Provision for credit losses	280	180	635	815
Net interest income after provision for credit losses	7,643	7,786	30,423	31,495
Non-interest income				
Bank charges and service fees	695	823	2,990	3,615
Wealth management revenues	526	474	2,036	1,948
Mortgage banking revenues	-	4	-	3,771
Gains on sales of loans, net	12	1	22	16
Gains on sales of debt securities, net	-	-	-	12
Other	240	241	845	642
Total non-interest income	1,473	1,543	5,893	10,004
Non-interest expense				
Salaries and employee benefits	3,624	3,840	15,005	17,517
Professional services	326	304	1,108	3,419
Data processing fees	809	807	3,414	3,722
Marketing and promotion	219	173	813	3,127
Occupancy	401	409	1,556	1,785
Regulatory costs	130	136	539	470
Depreciation and amortization	271	256	1,086	1,094
Office supplies and postage	83	93	364	415
Other	402	641	2,167	2,634
Total non-interest expense	6,265	6,659	26,052	34,183
Income before taxes	2,851	2,670	10,264	7,316
Income tax expense	594	519	2,336	1,611
Net income	\$ 2,257	\$ 2,151	\$ 7,928	\$ 5,705
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,538,667	3,578,029	3,545,575	3,577,421
Dilutive effect of share-based compensation	611	3,517	3,278	2,818
Adjusted weighted average shares (b)	3,539,278	3,581,546	3,548,853	3,580,239
EARNINGS PER SHARE DATA				
Basic earnings per common share	\$ 0.64	\$ 0.60	\$ 2.24	\$ 1.59
Diluted earnings per common share	\$ 0.64	\$ 0.60	\$ 2.23	\$ 1.59

(a) Denominator for basic earnings per common share

(b) Denominator for diluted earnings per common share

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share, per-share and full-time equivalent data)	As of		
	December 31, 2024	September 30, 2024	December 31, 2023
BALANCE SHEET DATA			
Cash and cash equivalents	\$ 100,815	\$ 69,210	\$ 102,454
Debt securities available for sale	129,522	135,594	159,772
FRB and FHLB stock	2,387	2,387	2,372
Loans held for investment	698,724	683,201	668,808
Allowance for credit losses	(9,223)	(9,531)	(9,284)
Net loans held for investment	689,501	673,670	659,524
Premises and equipment, net	10,893	10,893	10,955
Operating lease right of use asset	618	708	938
Accrued interest receivable	4,108	3,951	4,206
Other	28,837	27,994	27,984
Total assets	<u>\$ 966,681</u>	<u>\$ 924,407</u>	<u>\$ 968,205</u>
Deposits:			
Non-interest-bearing	\$ 172,456	\$ 174,620	\$ 184,442
Interest-bearing –			
Savings, interest checking and money market	579,608	540,910	582,855
Time deposits	85,436	80,297	69,906
Total deposits	837,500	795,827	837,203
Guaranteed preferred beneficial interest in Company's subordinated debentures	15,464	15,464	15,464
Accrued interest payable	1,248	1,236	937
Accrued expenses	2,832	2,503	4,105
Operating lease liabilities	700	799	1,048
Other	15,270	824	1,030
Total liabilities	873,014	816,653	859,787
Common stock	35	35	36
Capital surplus – common stock	26,905	26,882	26,572
Retained earnings	78,667	90,714	93,186
Treasury stock	(2,696)	(2,687)	(1,528)
Accumulated other comprehensive income, net	(9,244)	(7,190)	(9,848)
Total stockholders' equity	93,667	107,754	108,418
Total liabilities and stockholders' equity	<u>\$ 966,681</u>	<u>\$ 924,407</u>	<u>\$ 968,205</u>
OTHER SELECTED DATA			
Trust assets under administration	\$ 427,994	\$ 426,639	\$ 388,829
Core deposits (1)	\$ 837,500	\$ 795,827	\$ 837,203
Tangible book value per common share (2)	\$ 26.60	\$ 30.60	\$ 30.38
Tangible book value per common share excluding accumulated other comprehensive income, net	\$ 29.22	\$ 32.64	\$ 33.13
Full time equivalent employees	136	137	144
Common shares outstanding	3,521,375	3,521,710	3,569,210

- (1) Core deposits consist of all deposits and repurchase agreements with customers.
(2) Tangible book value per common share is equal to book value per common share.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

**AVERAGE BALANCE,
YIELD EARNED, AND
COST PAID**

(dollars in thousands)

	For the Quarter Ended December 31, 2024			For the Quarter Ended December 31, 2023			Quarter-Over-Quarter Comparison		
	Average Balance	Interest Earned or Paid	Average Yield or Cost	Average Balance	Interest Earned or Paid	Average Yield or Cost	Change Due to		
							Rate	Volume	Total
Assets									
Interest-bearing due from banks	\$ 68,370	\$ 818	4.76%	\$ 54,402	\$ 754	5.50%	\$ (108)	\$ 172	\$ 64
FRB and FHLB stock	2,387	36	5.94%	2,852	35	4.84%	5	(4)	1
Debt securities available for sale	132,731	1,122	3.36%	156,127	1,386	3.52%	(62)	(202)	(264)
Loans held for sale-mortgage banking	-	-	0.00%	92	17	75.14%	(9)	(8)	(17)
Loans held for investment	687,626	9,907	5.73%	674,432	9,297	5.47%	445	165	610
Allowance for credit losses	(9,379)	-	0.00%	(9,136)	-	0.00%	-	-	-
Total	<u>\$ 881,735</u>	<u>\$ 11,883</u>	<u>5.36%</u>	<u>\$ 878,769</u>	<u>\$ 11,489</u>	<u>5.19%</u>	<u>\$ 271</u>	<u>\$ 123</u>	<u>\$ 394</u>
Liabilities									
Interest checking and money market	\$ 508,454	\$ 2,949	2.31%	\$ 516,031	\$ 2,831	2.18%	\$ 135	\$ (17)	\$ 118
Savings	43,460	12	0.11%	42,118	11	0.10%	1	-	1
Time deposits	83,360	756	3.61%	67,144	411	2.43%	216	129	345
Short-term borrowings	-	-	0.00%	1	-	0.00%	-	-	-
Subordinated debentures	15,464	243	6.24%	15,156	270	7.08%	(33)	6	(27)
Total	<u>\$ 650,738</u>	<u>\$ 3,960</u>	<u>2.42%</u>	<u>\$ 640,450</u>	<u>\$ 3,523</u>	<u>2.18%</u>	<u>\$ 319</u>	<u>\$ 118</u>	<u>\$ 437</u>
Net Interest Income		<u>\$ 7,923</u>			<u>\$ 7,966</u>				
Net Interest Spread			<u>2.94%</u>			<u>3.00%</u>			
Net Interest Margin			<u>3.57%</u>			<u>3.60%</u>			

**AVERAGE BALANCE,
YIELD EARNED, AND
COST PAID**

(dollars in thousands)

	For the Year Ended December 31, 2024			For the Year Ended December 31, 2023			Year-Over-Year Comparison		
	Average Balance	Interest Earned or Paid	Average Yield or Cost	Average Balance	Interest Earned or Paid	Average Yield or Cost	Change Due to		
							Rate	Volume	Total
Assets									
Interest-bearing due from banks	\$ 64,757	\$ 3,414	5.27%	\$ 40,901	\$ 2,107	5.15%	\$ 50	\$ 1,257	\$ 1,307
FRB and FHLB stock	2,384	145	6.06%	2,951	143	4.85%	25	(23)	2
Debt securities available for sale	138,059	4,716	3.42%	165,948	5,446	3.28%	173	(903)	(730)
Loans held for sale-mortgage banking	-	-	0.00%	26,743	1,531	5.72%	(766)	(765)	(1,531)
Loans held for investment	680,815	38,180	5.61%	644,536	34,051	5.28%	2,147	1,982	4,129
Allowance for credit losses	(9,384)	-	0.00%	(8,952)	-	0.00%	-	-	-
Total	<u>\$ 876,631</u>	<u>\$ 46,455</u>	<u>5.30%</u>	<u>\$ 872,127</u>	<u>\$ 43,278</u>	<u>4.96%</u>	<u>\$ 1,629</u>	<u>\$ 1,548</u>	<u>\$ 3,177</u>
Liabilities									
Interest checking and money market	\$ 510,928	\$ 11,766	2.30%	\$ 509,434	\$ 8,965	1.76%	\$ 1,887	\$ 914	\$ 2,801
Savings	43,323	47	0.11%	46,746	47	0.10%	3	(3)	-
Time deposits	75,344	2,547	3.38%	59,273	937	1.58%	1,248	362	1,610
Short-term borrowings	-	-	0.00%	249	5	2.01%	(3)	(2)	(5)
Subordinated debentures	15,464	1,037	6.70%	15,039	1,014	6.74%	(6)	29	23
Total	<u>\$ 645,059</u>	<u>\$ 15,397</u>	<u>2.39%</u>	<u>\$ 630,741</u>	<u>\$ 10,968</u>	<u>1.74%</u>	<u>\$ 3,129</u>	<u>\$ 1,300</u>	<u>\$ 4,429</u>
Net Interest Income		<u>\$ 31,058</u>			<u>\$ 32,310</u>				
Net Interest Spread			<u>2.91%</u>			<u>3.22%</u>			
Net Interest Margin			<u>3.54%</u>			<u>3.70%</u>			

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended December 31,		For the Twelve Months Ended December 31,	
	2024	2023	2024	2023
OTHER AVERAGE BALANCES				
Total assets	936,111	934,189	930,473	927,084
Core deposits	806,517	808,782	803,179	801,786
Total equity	105,996	103,437	103,935	103,690
KEY RATIOS				
Return on average common stockholders' equity (a)	7.86%	7.26%	6.97%	4.94%
Return on average assets (b)	0.96%	0.91%	0.85%	0.62%
Efficiency ratio (Consolidated)	66.68%	70.03%	70.50%	80.78%
Efficiency ratio (Bank)	63.87%	66.49%	67.18%	77.43%

(a) Return on average common stockholders' equity is calculated by using net income as the numerator and average common equity (less accumulated other comprehensive income (loss)) as the denominator.

(b) Return on average assets is calculated by using net income as the numerator and average total assets as the denominator.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of		
	December 31, 2024	September 30, 2024	December 31, 2023
ASSET QUALITY			
Loans 90 days or more delinquent and accruing interest	\$ -	\$ -	\$ 832
Non-accrual loans	6,275	5,873	2,519
Total nonperforming loans	\$ 6,275	\$ 5,873	\$ 3,351
Repossessed assets, net	33	48	33
Total nonperforming assets	\$ 6,308	\$ 5,921	\$ 3,384
Allowance for credit losses	\$ 9,223	\$ 9,531	\$ 9,284
Ratio of total nonperforming loans to total loans	0.90%	0.86%	0.50%
Ratio of total nonperforming assets to total assets	0.65%	0.64%	0.35%
Ratio of nonperforming loans to total assets	0.65%	0.64%	0.35%
Ratio of allowance for credit losses to loans held for investment	1.32%	1.40%	1.39%
Ratio of allowance for credit losses to total loans	1.32%	1.40%	1.39%
Ratio of allowance for credit losses to nonperforming loans	147%	162%	277%

(In thousands)	For the Quarter Ended December 31,		For the Twelve Months Ended December 31,	
	2024	2023	2024	2023
Changes in Nonperforming Loans:				
Balance, beginning of period	\$ 5,873	\$ 1,405	\$ 3,351	\$ 1,355
Additions to nonperforming	1,119	2,036	5,981	2,393
Charge-offs	(562)	(50)	(606)	(145)
Reclassified back to performing	-	-	(1,716)	(1)
Principal payments received	(155)	(35)	(666)	(200)
Transferred to repossessed assets	-	(5)	(69)	(51)
Balance, end of period	\$ 6,275	\$ 3,351	\$ 6,275	\$ 3,351

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended December 31,		For the Twelve Months Ended December 31,	
	2024	2023	2024	2023
Changes in Allowance for Credit Losses:				
Balance, beginning of period	\$ 9,666	\$ 9,343	\$ 9,459	\$ 8,831
Cumulative effect of CECL adoption	-	-	-	125
Provision	280	180	635	815
Loans charged off	(563)	(100)	(746)	(368)
Loan recoveries	5	36	40	56
Balance, end of period	\$ 9,388	\$ 9,459	\$ 9,388	\$ 9,459
Components:				
Allowance for loan losses	\$ 9,223	\$ 9,284	\$ 9,223	\$ 9,284
Allowance for unfunded commitments	\$ 165	\$ 175	\$ 165	\$ 175
Ratio of net charge-offs to average total loans	(0.081)%	(0.009)%	(0.104)%	(0.046)%
Ratio of net charge-offs to average total loans, annualized	(0.325)%	(0.038)%	(0.104)%	(0.046)%

(In thousands)	As of		
	December 31, 2024	September 30, 2024	December 31, 2023
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	\$ 69,391	\$ 61,823	\$ 62,019
Construction	1,056	1,074	5,247
Agricultural	39,301	42,067	35,220
Land and land development	7,803	8,033	7,992
Owner-occupied commercial real estate	38,393	37,545	35,260
Commercial real estate	121,985	127,513	135,858
Small business administration	19,658	18,782	18,046
Consumer	92,645	91,320	88,066
Subtotal gross loans held for investment	\$ 390,232	\$ 388,157	\$ 387,708
Consolidated			
Commercial and industrial	\$ 107,778	\$ 98,990	\$ 93,949
Construction	5,903	4,821	21,648
Agricultural	42,103	44,834	37,720
Land and land development	11,243	10,378	8,416
Owner-occupied commercial real estate	81,560	79,991	84,386
Commercial real estate	244,364	248,737	245,939
Small business administration	84,799	76,977	63,836
Consumer	120,032	117,343	111,872
Total gross loans held for investment	\$ 697,782	\$ 682,071	\$ 667,766