NEWS RELEASE

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BNCCORP, INC. REPORTS FIRST QUARTER NET INCOME OF $1.7 MILLION, OR $0.49 PER DILUTED SHARE

Highlights

- **Net income during the first quarter of 2024 increased $267 thousand, or 18.1%, to $1.7 million, or $0.49 per diluted share, from $1.5 million, or $0.41 per diluted share, in the 2023 period.**
- **First quarter 2024 return on average assets of 0.74% compared to 0.65% in the 2023 period.**
- **During the quarter, the Company declared a one-time special dividend of $2.25 and repurchased 50,000 shares of its common stock.**
- **For the quarter, the Community Banking segment reported net income of $2.1 million, or $0.58 per diluted share, compared to net income of $3.0 million, or $0.84 per diluted share, in the same period of 2023.**
- **Yields on loans held for investment was 5.51% for the first quarter of 2024 compared to 5.05% in the first quarter of 2023.**
- **The Company increased loans held for investment balances by $9.1 million, or 1.4%, to $677.9 million as of March 31, 2024 from $668.8 million at December 31, 2023.**
- **The ratio of loans held for investment-to-deposits increased to 84.1% at March 31, 2024 from 79.9% at December 31, 2023.**
- **Allowance for credit losses as of March 31, 2024, increased to 1.40% of loans held for investment compared to 1.39% as of December 31, 2023.**

BISMARCK, ND, May 3, 2024 – 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 first quarter ended March 31, 2024.

Management Commentary

"The first quarter was characterized by a solid performance as compared with a year ago, with net income increasing by 18.1% to $1.7 million. This growth is a testament to our community banking operations, to our inherently conservative management style, our disciplined approach to growth and loan underwriting and affirms our decision to exit the mortgage business in 2023," said Daniel J. Collins, BNC's President and Chief Executive Officer.

Mr. Collins added, "We are pleased to report growth in our loans held for investment, which have expanded by $9.1 million this quarter at an average yield of 7.60%, a critical component, along with disciplined expense management, of defending our profitability in an inverted yield curve and inflationary environment. Given the recent comments by the Federal Reserve indicating that inflation, while declining gradually, remains stubbornly resistant, we anticipate the pressure on margins to continue."

"We were also pleased to have declared a one-time special dividend of $2.25 per share during the quarter, a reflection of our longstanding belief that capital not needed for growth or liquidity should be returned to our shareholders. Together with our stock repurchase of 50,000 shares during the first quarter, this action underscores both our commitment to shareholder value and our confidence in the Company's financial health and strategic direction."

"Looking ahead, our strategy remains to deliver sustainable growth, tempered by strong risk management, and to enhance shareholder value. We believe that our disciplined approach to lending and our focus on high-quality customer service continues to serve us well as we navigate the dynamic economic landscape."

2024 Versus 2023 First Quarter Comparison

SEGMENT DATA (in thousands)	For the Quarter Ended March 31, 2024				
	Community Banking	Mortgage Banking (a)	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	$ 8,081	$ -	$ (222)	$ -	$ 7,859
Provision for credit losses	215	-	-	-	215
Non-interest income	1,618	-	541	(621)	1,538
Non-interest expense	6,745	-	783	(621)	6,907
Income (loss) before taxes	2,739	-	(464)	-	2,275
Income tax expense (benefit)	644	-	(109)	-	535
Net income (loss)	$ 2,095	$ -	$ (355)	$ -	$ 1,740

	For the Quarter Ended March 31, 2023				
	Community Banking	Mortgage Banking	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	$ 8,497	$ 155	$ (211)	$ -	$ 8,441
Provision for credit losses	240	-	-	-	240
Non-interest income	2,227	1,847	550	(993)	3,631
Non-interest expense	6,511	3,614	774	(993)	9,906
Income (loss) before taxes	3,973	(1,612)	(435)	-	1,926
Income tax expense (benefit)	955	(400)	(102)	-	453
Net income (loss)	$ 3,018	$ (1,212)	$ (333)	$ -	$ 1,473

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

The Community Banking Segment reported net income of $2.1 million, or $0.58 per diluted share, for the quarter compared to $3.0 million in the first quarter of 2023. Interest expense increased by $2.3 million when compared to the 2023 period due to the impact of rate changes made by the Federal Reserve in addition to the $48.3 million increase in average interest bearing deposits when compared to the prior year period. The increase in interest expense was offset by $1.7 million higher interest income from loan growth and increased yields on earning assets. The Community Banking Segment reported $609 thousand lower non-interest income primarily due to a $300 thousand decrease in off balance sheet deposit income and $376 thousand less in management fee income from the Mortgage Segment that was partially offset by higher SBIC revenues when compared to the first quarter of 2023. Non-interest expense was slightly higher in the 2024 period due to normal inflationary pressures on salaries and benefits, increased regulatory and other expense that was partially offset by lower professional services and depreciation compared to the same period in 2023. Additionally, the Company has lowered the number of its full-time equivalent employees by 2.8% when compared to December, 31, 2023.

Consolidated net interest income for the first quarter of 2024 was $7.9 million, a decrease of $582 thousand, or 6.9%, from $8.4 million in the first quarter of 2023. Net interest margin was 3.52% in the first quarter of 2024 compared to 3.97% reported in the prior year period. The increase in loans held for investment at higher yields was more than offset by a lower volume of loans held for sale and a significant increase in the cost of deposits.

On a consolidated basis, first-quarter interest income increased $1.7 million, or 16.7%, from $10.0 million to $11.7 million. The 5.23% average yield on interest-earning assets in the quarter was higher than the 4.71% average yield in the first quarter of 2023 because of higher yields on interest-earning assets, a $48.8 million year-over-year increase in the average balance of loans held for investment and higher yields and balances of cash and cash equivalents. Those increases were offset by lower debt securities and loans held for sale. It is noteworthy that the Company's variable rate assets have continued to re-price with interest rate movements by the Federal Reserve. The weighted average interest rate on loans held for investment originated in the first quarter of 2024 was 7.60%, compared to 5.07% during the first quarter 2023.

Consolidated interest expense in the first quarter of 2024 was $3.8 million, an increase of $2.3 million from the 2023 period. As a result, the cost of core deposits in the first quarter of 2024 rose to 1.74% versus 0.68% in the first quarter of 2023.

The average balance of deposits increased by $30.0 million when comparing the first quarter of 2024 to the first quarter of 2023. The cost of interest-bearing liabilities was 2.33% during the first quarter of 2024, compared to 1.04% 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 March 31, 2024, nonperforming assets were $3.5 million, representing a ratio of nonperforming assets to total assets of 0.38%. These results are comparable to the $3.4 million in nonperforming assets, and a 0.35% ratio of nonperforming assets to total assets held on December 31, 2023. At March 31, 2024, $1.6 million of the nonperforming loans were SBA loans that are supported by material government guarantees. The Company recorded a $215 thousand provision for credit losses in the first quarter of 2024 compared to a $240 thousand provision in the first quarter of 2023. The allowance for credit losses increased slightly to 1.40% of loans held for investment on March 31, 2024 from 1.39% on December 31, 2023.

Non-interest income for the Community Banking Segment during the first quarter of 2024 was $1.6 million, compared to $2.2 million in the 2023 first quarter. Bank charges and service fees were $300 thousand lower quarter-over-quarter due to lower deposits held in one-way sell positions. Using an associated banking network, the Company is able to generate fee income on deposits not otherwise deployed by placing those deposits with another financial institution 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 began late in the first quarter of 2022 and can fluctuate significantly based on our customers' excess funding needs. As of March 31, 2024, off-balance sheet deposits amounted to $38.9 million compared to $34.8 million as of December 31, 2023. Consolidated other income in the first quarter of 2024 increased by $71 thousand compared to the first quarter of 2023 as the Company received higher SBIC and BOLI revenue in 2024.

Non-interest expense for the Community Banking Segment during the first quarter of 2024 increased just $234 thousand, or 3.6%, year-over-year. The increase is primarily due to higher salaries, data processing fees, regulatory costs, and other expenses being partially offset by lower professional service and occupancy expense.

In the first quarter of 2024, consolidated income tax expense was $535 thousand, compared to $453 thousand in the first quarter of 2023. The Company's effective tax rate was 23.5% in the first quarter of 2024, unchanged from the same period of 2023.

Tangible book value per common share on March 31, 2024, was $28.51, compared to $30.38 at December 31, 2023. The decrease in tangible book value per common share was driven by the $2.25 dividend declared on February 2, 2024 and the repurchase by the Company of 50,000 shares of the Company's stock during the first quarter of 2024 at a total cost of $1,162,500 excluding the cost of commissions, transaction charges, and taxes. The Company's tangible common equity capital ratio was 10.81% on March 31, 2024, compared to 11.19% on December 31, 2023.

Assets and Liabilities

At the consolidated level, total assets were $928.3 million at March 31, 2024 versus $968.2 million at December 31, 2023.

Total loans held for investment were $677.9 million on March 31, 2024 compared to $668.8 million on December 31, 2023. Debt securities decreased $20.3 million from year-end 2023, primarily due to normal amortization, while cash and cash equivalent balances totaled $73.6 million on March 31, 2024 compared to $102.5 million on December 31, 2023.

Total deposits decreased $31.1 million to $806.1 million as of March 31, 2024, from an elevated deposit balance of $837.2 million on December 31, 2023 and moved down to levels that were in-line with deposit balances reported during the second and third quarters of 2023. During 2023, the Company experienced higher levels of customers deploying excess deposit balances to national brokered deposits to capture short-term rates offered in the market, most often by non-bank brokerage firms. As the Company experienced during 2023, off-balance sheet deposits can fluctuate significantly as a significant portion of these deposits moved to higher rate opportunities in the short-term markets. The Company continues to focus on developing new deposit relationships and is keenly focused on the importance of liquidity.

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

	As of		
(In thousands)	March 31, 2024	December 31, 2023	March 31, 2023
Deposits:			
Non-interest-bearing	$ 170,976	$ 184,442	$ 195,125
Interest-bearing –			
Savings, interest checking and money market	565,151	582,855	525,644
Time deposits	69,984	69,906	51,609
Total on balance sheet deposits	806,111	837,203	772,378
Off-balance sheet deposits (1)	38,875	34,792	124,971
Total available deposits	$ 844,986	$ 871,995	$ 897,349

(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 March 31, 2024, the Company managed off-balance sheet time deposit balances of $19.7 million, compared to $18.7 million time deposit balances as of December 31, 2023 and $25.8 million time deposit balances as of March 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 greater than 70% 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 increased to $38.9 million at March 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 5.2%, or $20.1 million, to $408.9 million at March 31, 2024, from $388.8 million at December 31, 2023. During the first quarter of 2024, the Company benefited from material market value increases coupled with the acquisition of new assets under administration.

Asset Quality

The allowance for credit losses was $9.5 million as of March 31, 2024, versus $9.3 million on December 31, 2023. The allowance as a percentage of loans held for investment on March 31, 2024 increased slightly from 1.39% as of December 31, 2023 to 1.40% at current quarter end.

Past due loans for a period of 31-89 days decreased to $1.3 million as of March 31, 2024, compared to $4.8 million as of December 31, 2023. Nonperforming assets were $3.5 million on March 31, 2024, compared to $3.4 million on December 31, 2023. The ratio of nonperforming assets-to-total-assets was 0.38% at March 31, 2024 versus 0.35% at December 31, 2023. At March 31, 2024, $1.6 million of the nonperforming loans were SBA loans that are supported by material government guarantees. As of March 31, 2024, the Company did not hold any other real estate and held $49 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 March 31, 2024, classified loans were $6.3 million with $2.6 million of the balance on non-accrual. These results compare to year-end 2023 where the Company held $5.3 million of classified loans with $2.5 million of those loans on non-accrual. As of March 31, 2024 and December 31, 2023, the Company had $4.9 million and $2.4 million, respectively, of potentially problematic loans, which are risk-rated as "watch list".

Significant macroeconomic and geopolitical factors are present and evolving and the Company continues to monitor their possible impact on the performance of the loan portfolio.

BNC's loans held for investment are geographically concentrated in North Dakota and Arizona, comprising 57% and 24%, 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 as of March 31, 2024 and December 31, 2023, respectively:

Loans Held for Investment by Industry Sector (in thousands)	**March 31, 2024**		**December 31, 2023**	
Non-owner Occupied Commercial Real estate – not otherwise categorized	$ 191,650	28 %	$ 198,428	30 %
Consumer, not otherwise categorized	99,268	15	99,702	15
Hotels	83,042	12	83,985	13
Retail trade	38,696	6	35,827	5
Healthcare and social assistance	35,238	5	32,011	5
Agriculture, forestry, fishing and hunting	32,732	5	33,503	5
Transportation and warehousing	28,460	4	27,905	4
Art, entertainment and recreation	28,130	4	27,507	4
Non-hotel accommodation and food service	25,593	4	24,637	4
Mining, oil and gas extraction	21,837	3	22,149	3
Construction contractors	16,591	3	16,082	3
Other service	13,007	2	11,940	2
Professional, scientific, and technical services	11,248	2	9,570	1
Manufacturing	9,729	1	7,801	1
Real estate and rental and leasing support services	9,126	1	9,804	1
Educational services	8,415	1	4,246	1
Finance and insurance	8,165	1	6,781	1
All other	15,867	3	15,888	2
Gross loans held for investment	$ 676,794	100 %	$ 667,766	100 %

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 March 31, 2024, the Company's loans related to office space were 2.77% of loans held for investment, and are primarily concentrated in North Dakota, with only 0.09% within the Arizona market.

Capital

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

A summary of BNC's capital ratios at March 31, 2024, and December 31, 2023, is presented below:

	March 31, 2024	December 31, 2023
BNCCORP, INC. (Consolidated)		
Tier 1 leverage	13.41%	14.52%
Common equity tier 1 risk based capital	13.59%	14.58%
Tier 1 risk based capital	15.48%	16.49%
Total risk based capital	16.64%	17.64%
Tangible common equity	10.81%	11.19%
BNC National Bank		
Tier 1 leverage	12.49%	12.54%
Common equity tier 1 risk based capital	14.42%	14.25%
Tier 1 risk based capital	14.42%	14.25%
Total risk based capital	15.58%	15.40%
Tangible common equity	11.58%	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 consolidated capital ratios was due to the $2.25 one-time special dividend declared and paid in the first quarter of 2024. The dividend was paid from cash being held at 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 of our outstanding common stock. During the first quarter of 2024, the Company repurchased 50,000 shares of common stock for a total cost of $1,162,500 excluding the cost of commissions, transaction charges and taxes. We repurchased no other shares of common stock during the first quarter of 2024. As of March 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 current 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 mortgage banking revenues and 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, March 31, 2024	December 31, 2023	March 31, 2023
INCOME STATEMENT			
Interest income	$ 11,677	$ 11,489	$ 10,006
Interest expense	3,818	3,523	1,565
Net interest income	7,859	7,966	8,441
Provision for credit losses	215	180	240
Net interest income after provision for credit losses	7,644	7,786	8,201
Non-interest income			
Bank charges and service fees	793	823	1,092
Wealth management revenues	498	474	487
Mortgage banking revenues	-	4	1,856
Gains on sales of loans, net	-	1	8
Gains on sales of debt securities, net	-	-	12
Other	247	241	176
Total non-interest income	1,538	1,543	3,631
Non-interest expense			
Salaries and employee benefits	4,043	3,840	4,943
Professional services	255	304	897
Data processing fees	845	807	989
Marketing and promotion	188	173	1,369
Occupancy	390	409	512
Regulatory costs	135	136	106
Depreciation and amortization	266	256	293
Office supplies and postage	96	93	96
Other	689	641	701
Total non-interest expense	6,907	6,659	9,906
Income before taxes	2,275	2,670	1,926
Income tax expense	535	519	453
Net income	$ 1,740	$ 2,151	$ 1,473
WEIGHTED AVERAGE SHARES			
Common shares outstanding (a)	3,581,466	3,578,029	3,575,520
Dilutive effect of share-based compensation	5,517	3,517	2,317
Adjusted weighted average shares (b)	3,586,983	3,581,546	3,577,837
EARNINGS PER SHARE DATA			
Basic earnings per common share	$ 0.49	$ 0.60	$ 0.41
Diluted earnings per common share	$ 0.49	$ 0.60	$ 0.41

(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 March 31, 2024	As of December 31, 2023	As of March 31, 2023
BALANCE SHEET DATA			
Cash and cash equivalents	$ 73,598	$ 102,454	$ 15,902
Debt securities available for sale	139,484	159,772	172,507
FRB and FHLB stock	2,387	2,372	2,938
Loans held for sale-mortgage banking	-	-	39,599
Loans held for investment	677,870	668,808	630,209
Allowance for credit losses	(9,463)	(9,284)	(8,936)
Net loans held for investment	668,407	659,524	621,273
Premises and equipment, net	10,836	10,955	11,527
Operating lease right of use asset	855	938	1,393
Accrued interest receivable	4,371	4,206	3,180
Other	28,316	27,984	28,971
Total assets	$ 928,254	$ 968,205	$ 897,290
Deposits:			
Non-interest-bearing	$ 170,976	$ 184,442	$ 195,125
Interest-bearing –			
Savings, interest checking and money market	565,151	582,855	525,644
Time deposits	69,984	69,906	51,609
Total deposits	806,111	837,203	772,378
Short-term borrowings	-	-	9
Guaranteed preferred beneficial interest in Company's subordinated debentures	15,464	15,464	15,000
Accrued interest payable	1,167	937	380
Accrued expenses	2,597	4,105	3,801
Operating lease liabilities	961	1,048	1,525
Other	1,557	1,030	427
Total liabilities	827,857	859,787	793,520
Common stock	36	36	36
Capital surplus – common stock	26,800	26,572	26,599
Retained earnings	86,783	93,186	88,954
Treasury stock	(2,686)	(1,528)	(1,664)
Accumulated other comprehensive income, net	(10,536)	(9,848)	(10,155)
Total stockholders' equity	100,397	108,418	103,770
Total liabilities and stockholders' equity	$ 928,254	$ 968,205	$ 897,290
OTHER SELECTED DATA			
Trust assets under administration	$ 408,891	$ 388,829	$ 368,558
Core deposits (1)	$ 806,111	$ 837,203	$ 772,387
Tangible book value per common share (2)	$ 28.51	$ 30.38	$ 29.14
Tangible book value per common share excluding accumulated other comprehensive income, net	$ 31.50	$ 33.13	$ 31.99
Full time equivalent employees	140	144	212
Common shares outstanding	3,521,710	3,569,210	3,561,334

(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 March 31, 2024			For the Quarter Ended March 31, 2023			Quarter-Over-Quarter Comparison		
							Change Due to		
	Average Balance	Interest Earned or Paid	Average Yield or Cost	Average Balance	Interest Earned or Paid	Average Yield or Cost	Rate	Volume	Total
Assets									
Interest-bearing due from banks	$ 85,534	$ 1,165	5.48%	$ 40,235	$ 435	4.38%	$ 132	$ 598	$ 730
FRB and FHLB stock	2,373	33	5.59%	3,078	36	4.74%	3	(6)	(3)
Debt securities available for sale	147,843	1,264	3.44%	174,532	1,376	3.20%	96	(208)	(112)
Loans held for sale-mortgage banking	-	-	0.00%	28,989	399	5.58%	(199)	(200)	(399)
Loans held for investment	672,036	9,215	5.51%	623,266	7,760	5.05%	787	668	1,455
Allowance for credit losses	(9,282)	-	0.00%	(8,764)	-	0.00%	-	-	-
Total	$ 898,504	$ 11,677	5.23%	$ 861,336	$ 10,006	4.71%	$ 819	$ 852	$ 1,671
Liabilities									
Interest checking and money market	$ 531,236	$ 3,034	2.30%	$ 488,887	$ 1,240	1.03%	$ 979	$ 815	$ 1,794
Savings	43,070	12	0.11%	52,961	11	0.08%	3	(2)	1
Time deposits	69,515	510	2.95%	53,714	77	0.60%	411	22	433
Short-term borrowings	-	-	0.00%	792	6	3.07%	(3)	(3)	(6)
Subordinated debentures	15,464	262	6.81%	15,000	231	6.25%	24	7	31
Total	$ 659,285	$ 3,818	2.33%	$ 611,354	$ 1,565	1.04%	$ 1,414	$ 839	$ 2,253
Net Interest Income		$ 7,859			$ 8,441				
Net Interest Spread			2.90%			3.67%			
Net Interest Margin			3.52%			3.97%			

(In thousands)	For the Quarter Ended March 31, 2024	2023
OTHER AVERAGE BALANCES		
Total assets	$ 952,223	$ 916,631
Core deposits	821,664	791,970
Total equity	103,816	102,774
KEY RATIOS		
Return on average common stockholders’ equity (a)	6.12%	5.26%
Return on average assets (b)	0.74%	0.65%
Efficiency ratio (Consolidated)	73.50%	82.06%
Efficiency ratio (Bank)	69.57%	78.96%

(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 March 31, 2024	As of December 31, 2023	As of March 31, 2023
ASSET QUALITY			
Loans 90 days or more delinquent and accruing interest	$ 882	$ 832	$ -
Non-accrual loans	2,551	2,519	1,469
Total nonperforming loans	$ 3,433	$ 3,351	$ 1,469
Repossessed assets, net	49	33	64
Total nonperforming assets	$ 3,482	$ 3,384	$ 1,533
Allowance for credit losses	$ 9,463	$ 9,284	$ 8,936
Ratio of total nonperforming loans to total loans	0.51%	0.50%	0.22%
Ratio of total nonperforming assets to total assets	0.38%	0.35%	0.17%
Ratio of nonperforming loans to total assets	0.37%	0.35%	0.16%
Ratio of allowance for credit losses to loans held for investment	1.40%	1.39%	1.42%
Ratio of allowance for credit losses to total loans	1.40%	1.39%	1.33%
Ratio of allowance for credit losses to nonperforming loans	276%	277%	608%

(In thousands)	For the Quarter Ended March 31, 2024	For the Quarter Ended March 31, 2023
Changes in Nonperforming Loans:		
Balance, beginning of period	$ 3,351	$ 1,355
Additions to nonperforming	966	211
Charge-offs	(1)	(7)
Reclassified back to performing	(832)	(1)
Principal payments received	(33)	(74)
Transferred to repossessed assets	(18)	(15)
Balance, end of period	$ 3,433	$ 1,469

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended March 31, 2024	2023
Changes in Allowance for Credit Losses:		
Balance, beginning of period	$ 9,459	$ 8,831
Cumulative effect of CECL adoption	-	125
Provision	215	240
Loans charged off	(55)	(57)
Loan recoveries	4	6
Balance, end of period	$ 9,623	$ 9,145
Components:		
Allowance for loan losses	$ 9,463	$ 8,936
Allowance for unfunded commitments	$ 160	$ 209
Ratio of net charge-offs to average total loans	(0.008)%	(0.008)%
Ratio of net charge-offs to average total loans, annualized	(0.030)%	(0.031)%

(In thousands)	As of March 31, 2024	December 31, 2023	March 31, 2023
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 61,700	$ 62,019	$ 61,169
Construction	3,187	5,247	16,636
Agricultural	34,013	35,220	27,559
Land and land development	8,042	7,992	6,312
Owner-occupied commercial real estate	35,872	35,260	33,828
Commercial real estate	135,325	135,858	124,686
Small business administration	19,036	18,046	18,194
Consumer	88,043	88,066	80,288
Subtotal gross loans held for investment	$ 385,218	$ 387,708	$ 368,672
Consolidated			
Commercial and industrial	$ 94,357	$ 93,949	$ 96,383
Construction	14,447	21,648	28,923
Agricultural	36,514	37,720	27,609
Land and land development	10,165	8,416	8,082
Owner-occupied commercial real estate	86,237	84,386	76,215
Commercial real estate	251,370	245,939	241,313
Small business administration	72,120	63,836	53,360
Consumer	111,584	111,872	97,418
Total gross loans held for investment	$ 676,794	$ 667,766	$ 629,303