



BNCCORP

NEWS RELEASE

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BNCCORP, INC. Announces Strategic Decision to Sell Mortgage Business

Bismarck, ND, April 12, 2023 – BNCCORP, INC. (OTCQX Markets: BNCC) announced that its wholly owned subsidiary, BNC National Bank (BNC Bank), has entered into a definitive agreement with First Federal Bank under which First Federal will purchase certain operating assets and assume certain liabilities of BNC Bank’s mortgage division as part of BNCC’s strategic decision to exit the residential mortgage origination business. BNC Bank’s mortgage division is principally composed of its Overland Park, Kansas based nationwide consumer direct mortgage platform. The purchase is subject to customary conditions and is expected to close in the second quarter of 2023. Terms of the transaction were not disclosed.

As a result of the transaction, First Federal will continue mortgage origination activities in the Overland Park, KS, Moline, IL, Bismarck, ND and Glendale, AZ regions currently served by BNC Bank.

After the sale, BNC Bank will continue to arrange or facilitate residential mortgage loans for its bank and wealth management customers as part of its full range of banking services.

BNC Chairman Michael Vekich said, “The Board of Directors made the decision to exit our nationwide residential mortgage origination business after extensive deliberations and concluding that this change in strategy is in the best long-term interests of BNC Bank, BNCC’s shareholders, and the communities we serve.”

Mr. Vekich continued, “In the last year, we have taken substantial steps to improve the profitability of our mortgage banking origination business in response to the persistent challenges facing the mortgage banking industry. We are proud of the resiliency and dedication of our mortgage banking team which has built a reputation for providing quality service. However, it is unclear when and to what extent mortgage industry conditions will improve. A number of factors, including competitive, technological and regulatory changes and the volatility of the demand for mortgages have made it more difficult to run a mortgage company within a community bank. Simply put, since we expanded our mortgage banking operations in 2008 the landscape has changed. This transaction enables us to focus on our core banking activities to the benefit of our shareholders and the communities that we serve.”

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 Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of BNCCORP. 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", "plan", "intend", "estimate", "may", "will", "would", "could", "should", or other expressions. We caution readers that these forward-looking statements, including, without limitation, those relating to the completion of the sale of BNC's mortgage business, our future business prospects, revenues, working capital, liquidity, capital needs, interest costs and income, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements due to several important factors. These factors include, but are not limited to: 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 we undertake no obligation to update any statement in light of new information or future events.

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