



# BNCCORP

---

## NEWS RELEASE

---

FOR FURTHER INFORMATION:

WEBSITE: [www.bnccorp.com](http://www.bnccorp.com)

DANIEL J. COLLINS, CEO

TELEPHONE: (612) 305-2210

JUSTIN C. CURRIE, CFO

TELEPHONE: (701) 250-3042

### **BNCCORP, INC. REPORTS SECOND QUARTER NET INCOME OF \$2.2 MILLION, OR \$0.62 PER DILUTED SHARE**

#### **Highlights**

- Net income during the second quarter of 2025 increased \$324 thousand, or 17.4%, to \$2.2 million, or \$0.62 per diluted share, from \$1.9 million, or \$0.53 per diluted share, in the 2024 period.
- Return on average assets improved to 0.92% compared to 0.73% for the first quarter of 2025 and 0.82% for the second quarter of 2024.
- Loans held for investment increased \$39.9 million, or 5.7%, from March 31, 2025. At June 30, 2025, loans held for investment totaled \$739.2 million compared to \$699.3 million at March 31, 2025.
- The efficiency ratio improved to 68.83% in the second quarter of 2025 versus 72.86% in the second quarter of 2024.
- Net interest margin increased to 3.75% for the second quarter of 2025 compared to 3.42% for the first quarter of 2025 and 3.54% for the first quarter of 2024.
- Yield on loans held for investment improved to 6.04% for the second quarter of 2025 compared to 5.59% in the second quarter of 2024.
- The ratio of loans held for investment-to-deposits increased to 90.0% at June 30, 2025 from 83.4% at December 31, 2024.
- Allowance for credit losses as of June 30, 2025, decreased to 1.24% of loans held for investment compared to 1.32% as of December 31, 2024.

**BISMARCK, ND, July 30, 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 second quarter ended June 30, 2025.

### **Management Commentary**

“We delivered solid metrics during the second quarter in several key areas,” said Daniel J. Collins, BNC’s President and Chief Executive Officer. “Loan demand was particularly healthy during the quarter resulting in a 5.7% net increase in loans outstanding in the second quarter, returning year-to-date loan growth to a strong position heading into the second half of 2025.”

“A deeper look at our performance compared to a year ago shows net interest margin improvement reflecting success in funding new loans and renewing maturing loans at current market rates and improvement in the efficiency ratio as we continue to manage costs with discipline. Our steady credit quality reflects the careful construction of our loan portfolio and the resilience of our markets. Overall, the second quarter reflects our team’s thoughtful execution of our strategy to position the Company for long-term success.”

### **2025 Versus 2024 Second Quarter Comparison**

The Company reported net income of \$2.2 million, or \$0.62 per diluted share, for the quarter compared to \$1.9 million, or \$0.53 per diluted share, in the second quarter of 2024.

Second quarter interest income increased \$1.3 million, or 11.4%, to \$12.5 million from \$11.3 million in the second quarter of 2024. Average yield on interest-earning assets in the quarter improved to 5.56% from 5.30% in the second quarter of 2024 driven by a \$38.0 million period-over-period increase in the average balance of loans held for investment and higher origination yields in addition to \$23.6 million higher average cash and cash equivalent balances. Those increases were partially offset by lower yields on cash and cash equivalents and a lower average balance of debt securities during the quarter.

Interest expense in the second quarter of 2025 was \$4.1 million, an increase of \$428 thousand from the 2024 period. The cost of core deposits in the second quarter of 2025 rose to 1.85% versus 1.74% in the second quarter of 2024. The consolidated average balance of deposits increased by \$52.3 million

compared to the second quarter of 2024. The cost of interest-bearing liabilities was 2.40% during the second quarter of 2025, compared to 2.34% in the same period of 2024.

Net interest income for the second quarter of 2025 was \$8.5 million, an increase of \$855 thousand, or 11.3%, from the second quarter of 2024. Net interest margin was 3.75% in the second quarter of 2025 compared to 3.58% reported in the prior year period.

Non-interest income during the second quarter of 2025 was \$1.4 million, compared to \$1.5 million in the second quarter of 2024. Bank charges and service fees were \$88 thousand lower quarter-over-quarter primarily due to a reduction in 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 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 June 30, 2025, off-balance sheet deposits were \$23.6 million compared to \$18.5 million as of December 31, 2024. During the second quarter of 2025, the Company recorded a one-time gain on sale of loans of \$114 thousand. Gains on sales of loans can vary period-over-period. Other income is lower than the prior period due to reduced revenues from SBIC investments.

Non-interest expense during the second quarter of 2025 increased \$198 thousand, or 3.0%, period-over-period, primarily due to a \$128 thousand increase in professional services expense and a \$99 thousand increase in salary and employee benefit expenses. The increase in professional services expense is due to higher legal and consulting fees. The Company reported a modest increase in salary and employee benefits on a period-over-period basis. Merit-based and inflationary increases in salaries and employee benefits were partially offset by lower headcount.

In the second quarter of 2025, consolidated income tax expense was \$671 thousand, compared to \$571 thousand in the second quarter of 2024. The Company maintained an effective tax rate of 23.5% for both periods presented.

Tangible book value per common share on June 30, 2025 was \$28.44, compared to \$26.60 at December 31, 2024. The Company's tangible common equity capital ratio increased to 10.63% as of June 30, 2025, compared to 9.68% on December 31, 2024.

## **2025 Versus 2024 First Six Months Comparison**

The Company reported net income of \$3.9 million, or \$1.11 per diluted share, for the first six months of 2025 compared to \$3.6 million, or \$1.01 per diluted share, in the first six months of 2024.

Interest income increased \$1.6 million, or 7.0%, to \$24.5 million in the first half of 2025 from \$22.9 million in the first half of 2024. Average yield on interest-earning assets in the first half improved to 5.45% from 5.26% in the first half of 2024 driven by a \$30.8 million period-over-period increase in the average balance of loans held for investment and higher origination yields and higher balances of cash and cash equivalents. Those increases were partially offset by lower yields on cash and cash equivalents and a lower average balance and yields on debt securities during the period.

Interest expense in the first half of 2025 was \$8.2 million, an increase of \$759 thousand from the 2024 period. The cost of core deposits in the first six months of 2025 rose to 1.86% versus 1.74% in the first six months of 2024. The consolidated average balance of deposits increased by \$38.8 million compared to the first half of 2024. The cost of interest-bearing liabilities was 2.41% during the first six months of 2025, compared to 2.34% in the same period of 2024.

Net interest income for the first half of 2025 was \$16.3 million, an increase of \$847 thousand, or 5.5%, from the first half of 2024. Net interest margin was 3.62% in the 2025 six-month period compared to 3.55% reported in the prior year period.

Non-interest income in the first six months of 2025 was \$2.8 million compared to \$3.0 million in the 2024 first six months. Bank charges and service fees were \$213 thousand lower period-over-period primarily due to lower letter of credit fees and interchange income, and a reduction in deposits held in one-way sell positions. During 2025, the Company recorded a one-time gain on sale of loans of \$114 thousand. Gains on sales of loans can vary period-over-period. Other income is lower than the prior period due to reduced revenues from SBIC investments.

Non-interest expense during the first six months of 2025 increased \$120 thousand, or 1.0%, year-over-year, primarily due to a \$135 thousand increase in professional services expense and higher salary and employee benefit expense. The Company reported a modest increase in salary and employee benefits of \$144 thousand, or 1.8% year-over-year. Merit-based and inflationary increases in salaries and employee

benefits were partially offset by lower headcount.

During the six-month period ended June 30, 2025, consolidated income tax expense was \$1.2 million, compared to \$1.1 million in the first half of 2024. The Company maintained an effective tax rate of 23.5% for both periods presented.

### **Assets and Liabilities**

Total assets were \$942.0 million at June 30, 2025 versus \$966.7 million at December 31, 2024. Total loans held for investment were \$739.2 million on June 30, 2025 compared to \$698.7 million on December 31, 2024. Debt securities decreased \$6.1 million from year-end 2024, primarily due to normal amortization, while cash and cash equivalent balances totaled \$43.3 million on June 30, 2025 compared to \$100.8 million on December 31, 2024.

Total deposits decreased \$16.4 million to \$821.1 million as of June 30, 2025, from a balance of \$837.5 million on December 31, 2024. The Company also maintains off-balance sheet transactional deposit 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 on the Company's total deposit relationships:

	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
(In thousands)			
Deposits:			
Non-interest-bearing	\$ 180,921	\$ 172,456	\$ 171,112
Interest-bearing –			
Savings, interest checking and money market	536,435	579,608	546,080
Time deposits	103,696	85,436	75,173
Total on balance sheet deposits	821,052	837,500	792,365
Off-balance sheet deposits (1)	23,581	18,531	16,814
Total available deposits	<u>\$ 844,633</u>	<u>\$ 856,031</u>	<u>\$ 809,179</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 June 30, 2025, the Company managed off-balance sheet time deposit balances of \$1.2 million, compared to \$13.9 million time deposit balances as of December 31, 2024 and \$24.5 million time deposit balances as of June 30, 2024.

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 75% of its customers' deposit balances. This fact, combined with the Company's strong balance sheet and management's sustained focus on fostering a relationship-focused culture, has allowed the Company to maintain a significant deposit base.

Trust assets under administration increased 4.0%, or \$17.1 million, to \$445.1 million at June 30, 2025, from \$428.0 million at December 31, 2024. The Company has benefited from the acquisition of new assets under administration in 2025 and also experienced increases in the market value of financial assets.

### **Asset Quality**

The allowance for credit losses was \$9.2 million as of June 30, 2025 and December 31, 2024. The allowance for credit losses as a percentage of loans held for investment on June 30, 2025 decreased from 1.32% as of December 31, 2024 to 1.24% at current quarter end. The decrease in the allowance to loans ratio was largely due to gross charge-off of \$464 thousand in the first six months of 2025. The charge-off were taken against reserves on longer-term non-performing loans.

Past due loans of 31-89 days increased to \$1.9 million as of June 30, 2025, compared to \$1.2 million as of December 31, 2024. Nonperforming assets were \$5.8 million on June 30, 2025, compared to \$6.3 million on December 31, 2024. The ratio of nonperforming assets-to-total-assets was 0.62% at June 30, 2025 versus 0.65% at December 31, 2024. At June 30, 2025, \$4.8 million, or 82%, of the \$5.8 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 0.19% on June 30, 2025.

The Company continues to monitor the evolving macroeconomic and geopolitical environment for possible impacts to the loan portfolio. As of June 30, 2025, classified loans were \$4.3 million compared to \$4.7 million of classified loans at December 31, 2024. As of June 30, 2025 and December 31, 2024, the Company had \$7.1 million and \$12.2 million, respectively, of potentially problematic loans, which are risk-rated as "special mention". As of June 30, 2025, \$3.7 million of the special mention loan balances are secured by hotels as compared to \$10.5 million at March 31, 2025. While the Company has experienced elevated levels of special mention loans for this industry, the loans are not concentrated to a geographical location or specific property type. The remainder of the loans within the hotel industry are pass rated as of June 30, 2025.

BNC's loans held for investment are geographically concentrated in North Dakota and Arizona, comprising 54% 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, along with market sentiment have recently caused a decrease in oil prices that, if prolonged, could have a negative impact on the oil industry and ancillary services. Potential risks to North Dakota's energy and agriculture industries include the possibility of adverse national legislation, potential effects of trade policy, and changes in economic conditions. 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 could 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)

	<b>June 30, 2025</b>			<b>December 31, 2024</b>		
Non-owner Occupied Commercial Real estate – not otherwise categorized	\$	193,575	26 %	\$	192,741	28 %
Consumer, not otherwise categorized		100,957	14		99,243	14
Hotels		93,375	12		86,863	12
Healthcare and social assistance		38,039	5		32,447	5
Agriculture, forestry, fishing and hunting		36,782	5		36,763	5
Retail trade		30,492	4		34,186	5
Transportation and warehousing		29,653	4		31,124	5
Non-hotel accommodation and food service		28,765	4		27,288	4
Art, entertainment and recreation		28,320	4		27,747	4
Construction contractors		22,664	3		13,938	2
Mining, oil and gas extraction		21,523	3		23,685	4
Real estate and rental and leasing support services		20,066	3		15,385	2
Manufacturing		18,221	3		15,333	2
Other service		16,749	2		14,325	2
Educational services		12,789	2		13,595	2
Utilities		12,285	2		720	-
Professional, scientific, and technical services		9,983	1		9,854	1
Finance and insurance		9,014	1		8,586	1
Public administration		6,943	1		7,357	1
All other		8,192	1		6,602	1
Total gross loans held for investment	\$	738,387	100 %	\$	697,782	100 %

## **Capital**

Banks and bank holding companies operate under separate regulatory capital requirements. As of June 30, 2025, the Company's capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

A summary of the Company's and the Bank's capital ratios is presented below:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
<b>BNCCORP, INC. (Consolidated)</b>		
Tier 1 leverage	12.90%	12.75%
Common equity tier 1 risk based capital	12.41%	12.36%
Tier 1 risk based capital	14.20%	14.22%
Total risk based capital	15.27%	15.35%
Tangible common equity	10.63%	9.68%
<b>BNC National Bank</b>		
Tier 1 leverage	12.10%	11.89%
Common equity tier 1 risk based capital	13.32%	13.25%
Tier 1 risk based capital	13.32%	13.25%
Total risk based capital	14.39%	14.38%
Tangible common equity	11.51%	10.49%

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.

## **Share Repurchases**

In December 2020, the Company's Board of Directors approved a share repurchase program authorizing the repurchase of 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. The Company has made no other share repurchases of common stock. As of June 30, 2025, there was 125,000 shares remaining under the current authorized share repurchase program.

### **About BNCCORP, INC.**

BNCCORP, INC., headquartered in Bismarck, ND, 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 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; risks associated with our acquisition and growth strategies; and other risks, including the potential impact of the imposition of tariffs or retaliatory tariffs, 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)

# # #

**BNCCORP, INC.**  
**CONSOLIDATED FINANCIAL DATA**  
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
<b>INCOME STATEMENT</b>				
Interest income	\$ 12,534	\$ 11,251	\$ 24,534	\$ 22,928
Interest expense	4,082	3,654	8,231	7,472
Net interest income	8,452	7,597	16,303	15,456
Provision for credit losses	225	30	325	245
Net interest income after provision for credit losses	8,227	7,567	15,978	15,211
Non-interest income				
Bank charges and service fees	686	774	1,354	1,567
Wealth management revenues	492	502	1,013	1,000
Gains on sales of loans, net	114	3	113	3
Other	138	189	334	436
Total non-interest income	1,430	1,468	2,814	3,006
Non-interest expense				
Salaries and employee benefits	3,868	3,769	7,956	7,812
Professional services	391	263	653	518
Data processing fees	848	862	1,671	1,707
Marketing and promotion	181	194	364	382
Occupancy	406	378	805	768
Regulatory costs	133	137	265	272
Depreciation and amortization	271	273	544	539
Office supplies and postage	103	102	196	198
Other	601	626	1,177	1,315
Total non-interest expense	6,802	6,604	13,631	13,511
Income before taxes	2,855	2,431	5,161	4,706
Income tax expense	671	571	1,213	1,106
Net income	\$ 2,184	\$ 1,860	\$ 3,948	\$ 3,600
<b>WEIGHTED AVERAGE SHARES</b>				
Common shares outstanding (a)	3,541,774	3,533,359	3,540,931	3,555,215
Dilutive effect of share-based compensation	1,149	5,793	1,060	5,516
Adjusted weighted average shares (b)	3,542,923	3,539,152	3,541,991	3,560,731
<b>EARNINGS PER SHARE DATA</b>				
Basic earnings per common share	\$ 0.62	\$ 0.53	\$ 1.12	\$ 1.01
Diluted earnings per common share	\$ 0.62	\$ 0.53	\$ 1.11	\$ 1.01

(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		
	June 30, 2025	December 31, 2024	June 30, 2024
<b>BALANCE SHEET DATA</b>			
Cash and cash equivalents	\$ 43,255	\$ 100,815	\$ 56,104
Debt securities available for sale	123,438	129,522	135,082
FRB and FHLB stock	2,386	2,387	2,387
Loans held for investment	739,151	698,724	687,009
Allowance for credit losses	(9,150)	(9,223)	(9,448)
Net loans held for investment	730,001	689,501	677,561
Premises and equipment, net	10,445	10,893	11,102
Operating lease right of use asset	501	618	771
Accrued interest receivable	4,101	4,108	4,299
Other	27,860	28,837	28,513
Total assets	<u>\$ 941,987</u>	<u>\$ 966,681</u>	<u>\$ 915,819</u>
Deposits:			
Non-interest-bearing	\$ 180,921	\$ 172,456	\$ 171,112
Interest-bearing –			
Savings, interest checking and money market	536,435	579,608	546,080
Time deposits	103,696	85,436	75,173
Total deposits	821,052	837,500	792,365
Guaranteed preferred beneficial interest in Company's subordinated debentures	15,464	15,464	15,464
Accrued interest payable	1,452	1,248	1,095
Accrued expenses	2,151	2,832	2,856
Operating lease liabilities	565	700	870
Dividends payable	-	14,304	-
Other	1,086	966	854
Total liabilities	841,770	873,014	813,504
Common stock	37	36	35
Capital surplus – common stock	27,127	26,904	26,841
Retained earnings	82,615	78,667	88,643
Treasury stock	(2,666)	(2,696)	(2,687)
Accumulated other comprehensive income, net	(6,896)	(9,244)	(10,517)
Total stockholders' equity	100,217	93,667	102,315
Total liabilities and stockholders' equity	<u>\$ 941,987</u>	<u>\$ 966,681</u>	<u>\$ 915,819</u>
<b>OTHER SELECTED DATA</b>			
Trust assets under administration	\$ 445,063	\$ 427,994	\$ 403,839
Core deposits (1)	\$ 821,052	\$ 837,500	\$ 792,365
Tangible book value per common share (2)	\$ 28.44	\$ 26.60	\$ 29.05
Tangible book value per common share excluding accumulated other comprehensive income, net	\$ 30.40	\$ 29.22	\$ 32.04
Full time equivalent employees	136	136	139
Common shares outstanding	3,523,875	3,521,375	3,521,710

(1) Core deposits consist of all deposits 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 June 30, 2025			For the Quarter Ended June 30, 2024			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
<b>Assets</b>									
Interest-bearing due from banks	\$ 69,859	\$ 778	4.47%	\$ 46,258	\$ 631	5.48%	\$ (132)	\$ 279	\$ 147
FRB and FHLB stock	2,386	36	6.05%	2,387	38	6.40%	(2)	-	(2)
Debt securities available for sale	125,369	954	3.05%	136,806	1,173	3.45%	(126)	(93)	(219)
Loans held for investment	715,441	10,766	6.04%	677,454	9,409	5.59%	816	541	1,357
Allowance for credit losses	(9,222)	-	0.00%	(9,431)	-	0.00%	-	-	-
Total	<u>\$ 903,833</u>	<u>\$ 12,534</u>	<u>5.56%</u>	<u>\$ 853,474</u>	<u>\$ 11,251</u>	<u>5.30%</u>	<u>\$ 556</u>	<u>\$ 727</u>	<u>\$ 1,283</u>
<b>Liabilities</b>									
Interest checking and money market	\$ 524,937	\$ 2,986	2.28%	\$ 497,882	\$ 2,803	2.26%	\$ (42)	\$ 225	\$ 183
Savings	42,265	11	0.10%	43,278	12	0.11%	(1)	-	(1)
Time deposits	100,321	859	3.43%	70,535	575	3.28%	21	263	284
Subordinated debentures	15,464	226	5.86%	15,464	264	6.86%	(38)	-	(38)
Total	<u>\$ 682,987</u>	<u>\$ 4,082</u>	<u>2.40%</u>	<u>\$ 627,159</u>	<u>\$ 3,654</u>	<u>2.34%</u>	<u>\$ (60)</u>	<u>\$ 488</u>	<u>\$ 428</u>
Net Interest Income		<u>\$ 8,452</u>			<u>\$ 7,597</u>				
Net Interest Spread			<u>3.17%</u>			<u>2.96%</u>			
Net Interest Margin			<u>3.75%</u>			<u>3.58%</u>			

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

(dollars in thousands)

	For the Six Months Ended June 30, 2025			For the Six Months Ended June 30, 2024			Six Month 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
<b>Assets</b>									
Interest-bearing due from banks	\$ 82,110	\$ 1,817	4.46%	\$ 65,896	\$ 1,796	5.48%	\$ (370)	\$ 391	\$ 21
FRB and FHLB stock	2,387	71	6.00%	2,380	71	6.00%	-	-	-
Debt securities available for sale	126,749	1,968	3.13%	142,325	2,437	3.44%	(212)	(257)	(469)
Loans held for investment	705,535	20,678	5.91%	674,745	18,624	5.55%	1,218	836	2,054
Allowance for credit losses	(9,220)	-	0.00%	(9,357)	-	0.00%	-	-	-
Total	<u>\$ 907,561</u>	<u>\$ 24,534</u>	<u>5.45%</u>	<u>\$ 875,989</u>	<u>\$ 22,928</u>	<u>5.26%</u>	<u>\$ 636</u>	<u>\$ 970</u>	<u>\$ 1,606</u>
<b>Liabilities</b>									
Interest checking and money market	\$ 534,423	\$ 6,105	2.30%	\$ 514,559	\$ 5,838	2.28%	\$ (32)	\$ 299	\$ 267
Savings	43,112	22	0.10%	43,174	23	0.11%	(1)	-	(1)
Time deposits	96,616	1,656	3.46%	70,025	1,085	3.12%	113	458	571
Short-term borrowings	2	-	4.98%	-	-	0.00%	-	-	-
Subordinated debentures	15,464	448	5.84%	15,464	526	6.84%	(78)	-	(78)
Total	<u>\$ 689,617</u>	<u>\$ 8,231</u>	<u>2.41%</u>	<u>\$ 643,222</u>	<u>\$ 7,472</u>	<u>2.34%</u>	<u>\$ 2</u>	<u>\$ 757</u>	<u>\$ 759</u>
Net Interest Income		<u>\$ 16,303</u>			<u>\$ 15,456</u>				
Net Interest Spread			<u>3.04%</u>			<u>2.93%</u>			
Net Interest Margin			<u>3.62%</u>			<u>3.55%</u>			

**BNCCORP, INC.**  
**CONSOLIDATED FINANCIAL DATA**  
(Unaudited)

(In thousands)	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
<b>OTHER AVERAGE BALANCES</b>				
Total assets	\$ 956,966	\$ 907,476	\$ 961,180	\$ 929,850
Core deposits	837,267	784,981	842,100	803,323
Total equity	98,605	101,024	96,979	102,420
<b>KEY RATIOS</b>				
Return on average common stockholders' equity (a)	8.23%	6.67%	7.55%	6.39%
Return on average assets (b)	0.92%	0.82%	0.83%	0.78%
Efficiency ratio (Consolidated)	68.83%	72.86%	71.30%	73.18%
Efficiency ratio (Bank)	64.96%	69.22%	67.84%	69.40%

(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.

(In thousands)	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
<b>ASSET QUALITY</b>			
Loans 90 days or more delinquent and accruing interest	\$ 5	\$ -	\$ 85
Non-accrual loans	5,783	6,275	2,970
Total nonperforming loans	\$ 5,788	\$ 6,275	\$ 3,055
Reposessed assets, net	39	33	11
Total nonperforming assets	\$ 5,827	\$ 6,308	\$ 3,066
Allowance for credit losses	\$ 9,150	\$ 9,223	\$ 9,448
Ratio of total nonperforming loans to total loans	0.78%	0.90%	0.44%
Ratio of total nonperforming assets to total assets	0.62%	0.65%	0.33%
Ratio of nonperforming loans to total assets	0.61%	0.65%	0.33%
Ratio of allowance for credit losses to total loans	1.24%	1.32%	1.38%
Ratio of allowance for credit losses to nonperforming loans	158%	147%	309%

(In thousands)	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Changes in Nonperforming Loans:</b>				
Balance, beginning of period	\$ 7,254	\$ 3,433	\$ 6,275	\$ 3,351
Additions to nonperforming	78	617	1,113	1,583
Charge-offs	(417)	(1)	(417)	(2)
Reclassified back to performing	(871)	(883)	(879)	(1,715)
Principal payments received	(174)	(97)	(198)	(130)
Transferred to reposessed assets	(82)	(14)	(106)	(32)
Balance, end of period	\$ 5,788	\$ 3,055	\$ 5,788	\$ 3,055

**BNCCORP, INC.**  
**CONSOLIDATED FINANCIAL DATA**  
(Unaudited)

(In thousands)	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Changes in Allowance for Credit Losses:</b>				
Balance, beginning of period	\$ 9,446	\$ 9,623	\$ 9,388	\$ 9,459
Provision	225	30	325	245
Loans charged off	(417)	(74)	(464)	(129)
Loan recoveries	6	24	11	28
Balance, end of period	<u>\$ 9,260</u>	<u>\$ 9,603</u>	<u>\$ 9,260</u>	<u>\$ 9,603</u>
Components:				
Allowance for loan losses	\$ 9,150	\$ 9,448	\$ 9,150	\$ 9,448
Allowance for unfunded commitments	\$ 110	\$ 155	\$ 110	\$ 155
Ratio of net charge-offs to average total loans	(0.057)%	(0.007)%	(0.064)%	(0.015)%
Ratio of net charge-offs to average total loans, annualized	(0.230)%	(0.030)%	(0.128)%	(0.030)%

(In thousands)	As of		
	June 30, 2025	December 31, 2024	June 30, 2024
<b>CREDIT CONCENTRATIONS</b>			
<b>North Dakota</b>			
Commercial and industrial	\$ 80,870	\$ 69,391	\$ 63,168
Construction	807	1,056	1,420
Agricultural	39,374	39,301	38,701
Land and land development	7,593	7,803	8,507
Owner-occupied commercial real estate	38,571	38,393	36,596
Commercial real estate	119,278	121,985	134,852
Small business administration	17,773	19,658	18,843
Consumer	94,381	92,645	91,974
Subtotal gross loans held for investment	<u>\$ 398,647</u>	<u>\$ 390,232</u>	<u>\$ 394,061</u>
<b>Consolidated</b>			
Commercial and industrial	\$ 127,485	\$ 107,778	\$ 95,577
Construction	12,229	5,903	8,474
Agricultural	42,084	42,103	41,702
Land and land development	8,995	11,243	10,689
Owner-occupied commercial real estate	82,756	81,560	86,706
Commercial real estate	248,275	244,364	250,784
Small business administration	94,706	84,799	75,030
Consumer	121,857	120,032	116,933
Total gross loans held for investment	<u>\$ 738,387</u>	<u>\$ 697,782</u>	<u>\$ 685,895</u>