



# BNCCORP

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## NEWS RELEASE

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FOR FURTHER INFORMATION:

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

#### **Highlights**

- Net income during the fourth quarter of 2025 of \$2.2 million, or \$0.62 per diluted share, compares to \$2.3 million, or \$0.64 per diluted share, in the fourth quarter of 2024.
- Pre-Provision, Pre-tax operating income of \$3.9 million in the fourth quarter of 2025 increased 25.8% from \$3.1 million in the fourth quarter of 2024.
- Net Interest Income increased by \$1.1 million, or 13.4%, to \$9.0 million in the fourth quarter of 2025 from \$7.9 million in the fourth quarter 2024.
- The Company recorded a \$1.1 million provision for credit losses in the fourth quarter of 2025, driven by one commercial lending relationship, compared to \$280 thousand provision in the fourth quarter of 2024.
- Return on average assets increased to 0.89% for the full year of 2025 compared to 0.85% in the 2024 period.
- Return on average equity increased to 8.13% for the full year of 2025 compared to 6.97% in the 2024 period.
- Loans held for investment increased \$40.0 million, or 5.7%, to \$738.7 million at December 31, 2025 from \$698.7 million at December 31, 2024.
- The efficiency ratio improved to 62.40% in the fourth quarter of 2025 compared to 64.84% in the third quarter of 2025 and 66.68% in the fourth quarter of 2024.
- Net interest margin was 3.64% for the fourth quarter of 2025 compared to 3.57% for the fourth quarter of 2024.
- Yield on loans held for investment improved to 6.10% for the fourth quarter of 2025 compared to 5.73% in the fourth quarter of 2024.

- Allowance for credit losses on loans as of December 31, 2025, increased to 1.40% of loans held for investment compared to 1.32% as of December 31, 2024.

**BISMARCK, ND, February 18, 2026 – 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, 2025.

### **Management Commentary**

“Our results in 2025 reflect the strength of our core banking franchise and the disciplined execution of our relationship-driven strategy,” said Daniel J. Collins, BNC’s President and Chief Executive Officer. “For the full year, we delivered meaningful growth in net interest income, expanded our net interest margin, improved operating efficiency, and demonstrated the durability of our earnings power in a challenging interest rate and economic environment.”

“During the fourth quarter, our reported results were impacted by a \$1.1 million provision for credit losses related to a single commercial lending relationship within the transportation industry. We made the deliberate decision to fully reserve for the estimated exposure based on our conservative credit philosophy and ongoing credit monitoring processes. Importantly, the performance of the remainder of our loan portfolio remains solid, reflecting our emphasis on prudent underwriting, active credit administration, and long-standing customer relationships.”

“Following an elevated level of loan prepayments in the third quarter, we were pleased to see net loan growth return in the fourth quarter, supported by continued customer demand across our markets. We also experienced significant deposit growth during 2025, further strengthening an already strong liquidity position and providing a stable foundation to support future growth and customer needs.”

“As we move forward, we remain confident in the overall quality of our loan portfolio and the strength of our balance sheet. Our strong capital position, ample liquidity, and relationship-focused business model position us well to navigate ongoing economic and geopolitical uncertainty while continuing to serve our customers and communities effectively.”

## **2025 Versus 2024 Fourth Quarter Comparison**

The Company reported net income of \$2.2 million, or \$0.62 per diluted share, for the quarter compared to \$2.3 million, or \$0.64 per diluted share, in the fourth quarter of 2024.

Fourth quarter interest income increased \$1.7 million, or 14.2%, to \$13.6 million from \$11.9 million in the fourth quarter of 2024. Average yield on interest-earning assets in the quarter improved to 5.50% from 5.36% in the fourth quarter of 2024 driven by a \$45.7 million period-over-period increase in the average balance of loans held for investment and higher origination yields as well as a \$67.8 million higher average of cash and cash equivalent balances. Those increases were partially offset by lower yields on cash and cash equivalents and lower average balances and yields on debt securities during the quarter.

Interest expense in the fourth quarter of 2025 was \$4.6 million, an increase of \$629 thousand from the 2024 period. The cost of core deposits in the fourth quarter of 2025 rose to 1.92% versus 1.83% in the fourth quarter of 2024. The average balance of deposits increased by \$98.7 million compared to the fourth quarter of 2024. The cost of interest-bearing liabilities was 2.46% during the fourth quarter of 2025, compared to 2.42% in the same period of 2024.

Net interest income for the fourth quarter of 2025 was \$9.0 million, an increase of \$1.1 million, or 13.4%, from the fourth quarter of 2024. Net interest margin was 3.64% in the fourth quarter of 2025 compared to 3.57% reported in the prior year period.

Non-interest income during the fourth quarter of 2025 was \$1.5 million, relatively unchanged from the fourth quarter of 2024. Bank charges and service fees were \$5 thousand lower period-over-period due to lower fees on lines of credit and reduced fee income from deposits held in one-way sell positions. Those reductions were partially offset by higher servicing revenue and overdraft charges. Other income during the fourth quarter of 2025 was higher than the prior period due to lower losses on the sale of fixed assets in the fourth quarter of 2025 compared to the same period of 2024.

Non-interest expense during the fourth quarter of 2025 increased \$275 thousand, or 4.4%, period-over-period, primarily due to a \$178 thousand increase in salary and employee benefit expenses, an increase of \$78 thousand in data processing fees, and an increase in other expense of \$70 thousand. Salary and employee benefit expense increased due to higher incentive compensation accrued on a period-over-

period basis. The increase in data processing fees was primarily due to higher subscription services, data circuit costs, and consulting expense. The increase in other expense is primarily due to a \$32 thousand change in the reversal of mortgage reserves, and \$48 thousand higher fees in ICS accounts correspondent bank charges, which were partially offset by loan workout costs.

During the fourth quarter of 2025, the Company recorded a provision for credit losses of \$1.1 million, compared to \$280 thousand in the fourth quarter of 2024. The increase in provision period-over-period is primarily attributed to recording specific reserves against one loan relationship within the transportation industry.

In the fourth quarter of 2025, consolidated income tax expense was \$645 thousand, compared to \$594 thousand in the fourth quarter of 2024. The Company reported an effective tax rate of 22.8% in the fourth quarter of 2025, compared to 20.8% in the same period of 2024.

Tangible book value per common share on December 31, 2025 was \$30.26, compared to \$26.60 at December 31, 2024. The Company's tangible common equity capital ratio was 9.68% as of December 31, 2025 as it was on December 31, 2024.

### **2025 Versus 2024 Year End Comparison**

The Company reported net income of \$8.8 million, or \$2.48 per diluted share, in 2025 compared to \$7.9 million, or \$2.23 per diluted share in 2024.

Interest income increased \$5.0 million, or 10.8%, to \$51.5 million in 2025 from \$46.5 million in 2024. Average yield on interest-earning assets improved to 5.50% in 2025 from 5.30% in 2024 driven by a \$39.3 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 2025 was \$17.3 million, an increase of \$1.9 million from the 2024 period. The cost of core deposits in 2025 rose to 1.90% versus 1.79% in 2024. The average balance of deposits increased by \$62.6 million compared to 2024. The cost of interest-bearing liabilities was 2.44% during 2025, compared

to 2.39% in the same period of 2024.

Net interest income for 2025 was \$34.2 million, an increase of \$3.1 million, or 10.0%, from 2024. Net interest margin was 3.65% in 2025 compared to 3.54% reported in the prior year period.

Non-interest income in 2025 was \$5.7 million compared to \$5.9 million in 2024. Bank charges and service fees were \$233 thousand lower period-over-period primarily due to lower fees on lines of credit and interchange income, and a reduction in deposits held in one-way sell positions. These reductions were partially offset by higher servicing income and deposit account service charges. During 2025, the Company recorded a one-time gain of \$114 thousand on the sale of loans. Gains on sales of loans may vary period-over-period. Other income is lower than the prior period due to reduced revenues from SBIC investments and other miscellaneous items that were partially offset by higher gains on the sale of repossessed assets.

Non-interest expense during 2025 increased \$768 thousand, or 2.9%, compared to 2024, primarily due to a \$181 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 \$513 thousand, or 3.4% year-over-year. Merit-based and inflationary increases in salaries and employee benefits were partially offset by a lower headcount.

In 2025, consolidated income tax expense was \$2.7 million, compared to \$2.3 million in 2024. The Company maintained an effective tax rate of 23.3% in 2025, compared to 22.8% in 2024.

### **Assets and Liabilities**

Total assets were \$1.1 billion at December 31, 2025 versus \$966.7 million at December 31, 2024. Total loans held for investment were \$738.7 million on December 31, 2025 compared to \$698.7 million on December 31, 2024. Debt securities decreased \$14.9 million from year-end 2024, primarily due to normal amortization, while cash and cash equivalent balances totaled \$211.5 million on December 31, 2025 compared to \$100.8 million on December 31, 2024.

Total deposits increased \$134.3 million to \$971.8 million as of December 31, 2025, versus 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:

(In thousands)	<u>As of</u>		
	<u>December 31, 2025</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Deposits:			
Non-interest-bearing	\$ 177,618	\$ 178,027	\$ 172,456
Interest-bearing –			
Savings, interest checking and money market	681,350	591,166	579,608
Time deposits	<u>112,833</u>	<u>109,342</u>	<u>85,436</u>
Total on balance sheet deposits	971,801	878,535	837,500
Off-balance sheet deposits (1)	<u>-</u>	<u>20,478</u>	<u>18,531</u>
Total available deposits	<u>\$ 971,801</u>	<u>\$ 899,013</u>	<u>\$ 856,031</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, 2025, the Company managed off-balance sheet time deposit balances of \$250 thousand, compared to \$250 thousand time deposit balances as of September 30, 2025 and \$13.9 million time deposit balances as of December 31, 2024.

The Company remains highly focused on meeting the needs of its customers and ensuring deposit rates reflect 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 12.4%, or \$52.9 million, to \$480.9 million at December 31, 2025, from \$428.0 million at December 31, 2024. The Company experienced elevated distributions during 2025, but benefited from significant increases in the market value of financial assets.

### **Asset Quality**

The allowance for credit losses on loans was \$10.3 million as of December 31, 2025 versus \$9.2 million as of December 31, 2024. The allowance for credit losses on loans as a percentage of loans held for investment on December 31, 2025 increased to 1.40% from 1.32% as of December 31, 2024. The increase in the allowance to loans ratio was largely due to increased reserves related to specific problem credits.

Past due loans of 31-89 days decreased to \$664 thousand as of December 31, 2025, compared to \$1.2 million as of December 31, 2024. Nonperforming assets were \$9.2 million on December 31, 2025, compared to \$6.3 million on December 31, 2024. The ratio of nonperforming assets-to-total-assets was 0.83% at December 31, 2025 compared to 0.65% as of December 31, 2024. As of December 31, 2025, \$4.8 million, or 52%, of the \$9.2 million in nonperforming loans were SBA loans supported by material government guarantees. Excluding loan balances covered by government guarantees, the Company's nonperforming assets-to-total-assets ratio was 0.49% on December 31, 2025.

The Company continues to monitor the evolving macroeconomic and geopolitical environment for possible impacts to its loan portfolio. As of December 31, 2025, classified loans increased to \$5.7 million from \$4.7 million as of December 31, 2024. During 2025, the Company experienced an increase in classified loans related to the transportation industry. While the Company's overall exposure to the transportation industry is estimated to be \$11.5 million at December 31, 2025, the Company does not believe that its remaining transportation portfolio is currently exposed to further credit deterioration. As of December 31, 2025 and December 31, 2024, the Company had \$5.4 million and \$12.2 million, respectively, of potentially problematic loans, which are risk-rated as "special mention." As of December 31, 2025, \$2.8 million of the special mention loan balances are secured by hotels, compared to \$3.9 million as of September 30, 2025. While the Company has experienced elevated levels of special mention loans for this industry, the loans are not concentrated in a geographical location or specific property type. The remainder of the loans within the hotel industry are pass rated as of December 31, 2025.

BNC's loans held for investment are geographically concentrated in North Dakota and Arizona, comprising 53% and 26%, 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 remains 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)

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
Non-owner Occupied Commercial Real Estate – not otherwise categorized	\$ 200,887	27 %	\$ 192,741	28 %
Hotels	97,337	13	86,863	12
Consumer, not otherwise categorized	94,999	13	99,243	14
Agriculture, forestry, fishing and hunting	37,328	5	36,763	5
Healthcare and social assistance	37,270	5	32,447	5
Retail trade	30,110	4	34,186	5
Non-hotel accommodation and food service	28,469	4	27,288	4
Art, entertainment and recreation	27,821	4	27,747	4
Transportation and warehousing	27,329	4	31,124	5
Construction contractors	24,178	3	13,938	2
Mining, oil and gas extraction	21,495	3	23,685	4
Manufacturing	20,127	3	15,333	2
Other service	15,372	2	14,325	2
Real estate and rental and leasing support services	15,245	2	15,385	2
Utilities	14,510	2	720	-
Professional, scientific, and technical services	11,406	2	9,854	1
Educational services	10,932	1	13,595	2
Finance and insurance	8,573	1	8,586	1
Public administration	6,440	1	7,357	1
All other	8,268	1	6,602	1
Total gross loans held for investment	<u>\$ 738,096</u>	<u>100 %</u>	<u>\$ 697,782</u>	<u>100 %</u>

**Capital**

Banks and bank holding companies operate under separate regulatory capital requirements. As of December 31, 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>December 31, 2025</b>	<b>December 31, 2024</b>
<b>BNCCORP, INC. (Consolidated)</b>		
Tier 1 leverage	12.40%	12.75%
Common equity tier 1 risk based capital	13.01%	12.36%
Tier 1 risk based capital	14.81%	14.22%
Total risk based capital	16.02%	15.35%
Tangible common equity	9.68%	9.68%
<b>BNC National Bank</b>		
Tier 1 leverage	11.71%	11.89%
Common equity tier 1 risk based capital	13.98%	13.25%
Tier 1 risk based capital	13.98%	13.25%
Total risk based capital	15.19%	14.38%
Tangible common equity	10.47%	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 subsequent share repurchases of common stock. As of December 31, 2025, there were 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, including period end ratios, that are not defined in GAAP. Such non-GAAP financial measures include, without limitation, a 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,	
	2025	2024	2025	2024
<b>INCOME STATEMENT</b>				
Interest income	\$ 13,575	\$ 11,883	\$ 51,471	\$ 46,455
Interest expense	4,589	3,960	17,313	15,397
Net interest income	8,986	7,923	34,158	31,058
Provision for credit losses	1,105	280	1,595	635
Net interest income after provision for credit losses	7,881	7,643	32,563	30,423
Non-interest income				
Bank charges and service fees	690	695	2,757	2,990
Wealth management revenues	557	526	2,104	2,036
Gains on sales of loans, net	-	12	116	22
Other	247	240	718	845
Total non-interest income	1,494	1,473	5,695	5,893
Non-interest expense				
Salaries and employee benefits	3,802	3,624	15,518	15,005
Professional services	268	326	1,289	1,108
Data processing fees	887	809	3,432	3,414
Marketing and promotion	220	219	827	813
Occupancy	405	401	1,557	1,556
Regulatory costs	126	130	527	539
Depreciation and amortization	273	271	1,088	1,086
Office supplies and postage	87	83	369	364
Other	472	402	2,213	2,167
Total non-interest expense	6,540	6,265	26,820	26,052
Income before taxes	2,835	2,851	11,438	10,264
Income tax expense	645	594	2,667	2,336
Net income	\$ 2,190	\$ 2,257	\$ 8,771	\$ 7,928
<b>WEIGHTED AVERAGE SHARES</b>				
Common shares outstanding (a)	3,541,774	3,538,667	3,541,356	3,545,575
Dilutive effect of share-based compensation	-	611	880	3,278
Adjusted weighted average shares (b)	3,541,774	3,539,278	3,542,236	3,548,853
<b>EARNINGS PER SHARE DATA</b>				
Basic earnings per common share	\$ 0.62	\$ 0.64	\$ 2.48	\$ 2.24
Diluted earnings per common share	\$ 0.62	\$ 0.64	\$ 2.48	\$ 2.23

(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, 2025	September 30, 2025	December 31, 2024
<b>BALANCE SHEET DATA</b>			
Cash and cash equivalents	\$ 211,451	\$ 115,611	\$ 100,815
Debt securities available for sale	114,670	118,415	129,522
FRB and FHLB stock	2,386	2,386	2,387
Loans held for investment	738,700	732,833	698,724
Allowance for credit losses	(10,318)	(9,313)	(9,223)
Net loans held for investment	728,382	723,520	689,501
Premises and equipment, net	10,120	10,312	10,893
Operating lease right of use asset	514	607	618
Accrued interest receivable	4,395	4,444	4,108
Other	28,288	28,182	28,837
Total assets	<u>\$ 1,100,206</u>	<u>\$ 1,003,477</u>	<u>\$ 966,681</u>
Deposits:			
Non-interest-bearing	\$ 177,618	\$ 178,027	\$ 172,456
Interest-bearing –			
Savings, interest checking and money market	681,350	591,166	579,608
Time deposits	112,833	109,342	85,436
Total deposits	971,801	878,535	837,500
Guaranteed preferred beneficial interest in Company's subordinated debentures	15,464	15,464	15,464
Accrued interest payable	1,638	1,611	1,248
Accrued expenses	2,877	2,455	2,832
Operating lease liabilities	571	673	700
Dividends payable	-	-	14,304
Other	1,348	1,002	966
Total liabilities	993,699	899,740	873,014
Common stock	37	37	36
Capital surplus – common stock	27,230	27,150	26,904
Retained earnings	87,438	85,248	78,667
Treasury stock	(2,753)	(2,666)	(2,696)
Accumulated other comprehensive income, net	(5,445)	(6,032)	(9,244)
Total stockholders' equity	106,507	103,737	93,667
Total liabilities and stockholders' equity	<u>\$ 1,100,206</u>	<u>\$ 1,003,477</u>	<u>\$ 966,681</u>
<b>OTHER SELECTED DATA</b>			
Trust assets under administration	\$ 480,944	\$ 467,677	\$ 427,994
Core deposits (1)	\$ 971,801	\$ 878,535	\$ 837,500
Tangible book value per common share (2)	\$ 30.26	\$ 29.44	\$ 26.60
Tangible book value per common share excluding accumulated other comprehensive income, net	\$ 31.80	\$ 31.15	\$ 29.22
Full time equivalent employees	132	135	136
Common shares outstanding	3,520,125	3,523,875	3,521,375

(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 December 31, 2025			For the Quarter Ended December 31, 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	\$ 136,785	\$ 1,368	3.97%	\$ 68,370	\$ 818	4.76%	\$ (153)	\$ 703	\$ 550
FRB and FHLB stock	2,386	35	5.82%	2,387	36	5.94%	(1)	-	(1)
Debt securities available for sale	116,934	903	3.06%	132,731	1,122	3.36%	(95)	(124)	(219)
Loans held for investment	733,290	11,269	6.10%	687,626	9,907	5.73%	679	683	1,362
Allowance for credit losses	(9,287)	-	0.00%	(9,379)	-	0.00%	-	-	-
Total	<u>\$ 980,108</u>	<u>\$ 13,575</u>	<u>5.50%</u>	<u>\$ 881,735</u>	<u>\$ 11,883</u>	<u>5.36%</u>	<u>\$ 430</u>	<u>\$ 1,262</u>	<u>\$ 1,692</u>
<b>Liabilities</b>									
Interest checking and money market	\$ 574,719	\$ 3,392	2.34%	\$ 508,454	\$ 2,949	2.31%	\$ (85)	\$ 528	\$ 443
Savings	40,559	11	0.11%	43,460	12	0.11%	-	(1)	(1)
Time deposits	109,545	966	3.50%	83,360	756	3.61%	(26)	236	210
Short-term borrowings	1	-	0.00%	-	-	0.00%	-	-	-
Subordinated debentures	15,464	220	5.64%	15,464	243	6.24%	(23)	-	(23)
Total	<u>\$ 740,288</u>	<u>\$ 4,589</u>	<u>2.46%</u>	<u>\$ 650,738</u>	<u>\$ 3,960</u>	<u>2.42%</u>	<u>\$ (134)</u>	<u>\$ 763</u>	<u>\$ 629</u>
Net Interest Income		<u>\$ 8,986</u>			<u>\$ 7,923</u>				
Net Interest Spread			<u>3.04%</u>			<u>2.94%</u>			
Net Interest Margin			<u>3.64%</u>			<u>3.57%</u>			

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

(dollars in thousands)

	For the Year Ended December 31, 2025			For the Year Ended December 31, 2024			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
<b>Assets</b>									
Interest-bearing due from banks	\$ 99,262	\$ 4,248	4.28%	\$ 64,757	\$ 3,414	5.27%	\$ (732)	\$ 1,566	\$ 834
FRB and FHLB stock	2,386	143	5.99%	2,384	145	6.06%	(1)	(1)	(2)
Debt securities available for sale	122,495	3,804	3.11%	138,059	4,716	3.42%	(407)	(505)	(912)
Loans held for investment	720,112	43,276	6.01%	680,815	38,180	5.61%	2,874	2,222	5,096
Allowance for credit losses	(9,225)	-	0.00%	(9,384)	-	0.00%	-	-	-
Total	<u>\$ 935,030</u>	<u>\$ 51,471</u>	<u>5.50%</u>	<u>\$ 876,631</u>	<u>\$ 46,455</u>	<u>5.30%</u>	<u>\$ 1,734</u>	<u>\$ 3,282</u>	<u>\$ 5,016</u>
<b>Liabilities</b>									
Interest checking and money market	\$ 548,938	\$ 12,815	2.33%	\$ 510,928	\$ 11,766	2.30%	\$ (159)	\$ 1,208	\$ 1,049
Savings	41,954	44	0.10%	43,323	47	0.11%	(2)	(1)	(3)
Time deposits	102,341	3,559	3.48%	75,344	2,547	3.38%	61	951	1,012
Short-term borrowings	3	-	0.00%	-	-	0.00%	-	-	-
Subordinated debentures	15,464	895	5.79%	15,464	1,037	6.70%	(142)	-	(142)
Total	<u>\$ 708,700</u>	<u>\$ 17,313</u>	<u>2.44%</u>	<u>\$ 645,059</u>	<u>\$ 15,397</u>	<u>2.39%</u>	<u>\$ (242)</u>	<u>\$ 2,158</u>	<u>\$ 1,916</u>
Net Interest Income		<u>\$ 34,158</u>			<u>\$ 31,058</u>				
Net Interest Spread			<u>3.06%</u>			<u>2.91%</u>			
Net Interest Margin			<u>3.65%</u>			<u>3.54%</u>			

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

(In thousands)	<b>For the Quarter Ended December 31,</b>		<b>For the Twelve Months Ended December 31,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>OTHER AVERAGE BALANCES</b>				
Total assets	\$ 1,032,882	\$ 936,111	\$ 988,236	\$ 930,473
Core deposits	905,171	806,517	865,816	803,179
Total equity	105,817	105,996	100,457	103,935
<b>KEY RATIOS</b>				
Return on average common stockholders' equity (a)	7.79%	7.86%	8.13%	6.97%
Return on average assets (b)	0.84%	0.96%	0.89%	0.85%
Efficiency ratio (Consolidated)	62.40%	66.68%	67.30%	70.50%
Efficiency ratio (Bank)	60.83%	63.87%	64.55%	67.18%

(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)	<b>As of</b>		
	<b>December 31, 2025</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
<b>ASSET QUALITY</b>			
Loans 90 days or more delinquent and accruing interest	\$ -	\$ 2	\$ -
Non-accrual loans	9,169	8,059	6,275
Total nonperforming loans	\$ 9,169	\$ 8,061	\$ 6,275
Repossessed assets, net	-	-	33
Total nonperforming assets	\$ 9,169	\$ 8,061	\$ 6,308
Allowance for credit losses	\$ 10,318	\$ 9,313	\$ 9,223
Ratio of total nonperforming loans to total loans	1.24%	1.10%	0.90%
Ratio of total nonperforming assets to total assets	0.83%	0.80%	0.65%
Ratio of nonperforming loans to total assets	0.83%	0.80%	0.65%
Ratio of allowance for credit losses to total loans	1.40%	1.27%	1.32%
Ratio of allowance for credit losses to nonperforming loans	113%	116%	147%

(In thousands)	<b>For the Quarter Ended December 31,</b>		<b>For the Twelve Months Ended December 3,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>Changes in Nonperforming Loans:</b>				
Balance, beginning of period	\$ 8,061	\$ 5,873	\$ 6,275	\$ 3,351
Additions to nonperforming	1,640	1,119	5,998	5,981
Charge-offs	(126)	(562)	(543)	(606)
Reclassified back to performing	-	-	(884)	(1,716)
Principal payments received	(367)	(155)	(1,527)	(666)
Transferred to repossessed assets	(39)	-	(150)	(69)
Balance, end of period	\$ 9,169	\$ 6,275	\$ 9,169	\$ 6,275

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

(In thousands)	For the Quarter Ended December 31,		For the Twelve Months Ended December 31,	
	2025	2024	2025	2024
<b>Changes in Allowance for Credit Losses:</b>				
Balance, beginning of period	\$ 9,433	\$ 9,666	\$ 9,388	\$ 9,459
Provision	1,105	280	1,595	635
Loans charged off	(142)	(563)	(639)	(746)
Loan recoveries	37	5	89	40
Balance, end of period	\$ 10,433	\$ 9,388	\$ 10,433	\$ 9,388
Components:				
Allowance for loan losses	\$ 10,318	\$ 9,223	\$ 10,318	\$ 9,223
Allowance for unfunded commitments	\$ 115	\$ 165	\$ 115	\$ 165
Ratio of net charge-offs to average total loans	(0.014)%	(0.081)%	(0.076)%	(0.104)%
Ratio of net charge-offs to average total loans, annualized	(0.057)%	(0.325)%	(0.076)%	(0.104)%

(In thousands)	As of		
	December 31, 2025	September 30, 2025	December 31, 2024
<b>CREDIT CONCENTRATIONS</b>			
<b>North Dakota</b>			
Commercial and industrial	\$ 79,455	\$ 78,700	\$ 69,391
Construction	2,826	2,920	1,056
Agricultural	39,238	41,224	39,301
Land and land development	8,115	7,864	7,803
Owner-occupied commercial real estate	37,284	38,319	38,393
Commercial real estate	114,009	113,871	121,985
Small business administration	17,581	17,668	19,658
Consumer	92,728	94,851	92,645
Subtotal gross loans held for investment	\$ 391,236	\$ 395,417	\$ 390,232
<b>Consolidated</b>			
Commercial and industrial	\$ 124,595	\$ 123,184	\$ 107,778
Construction	8,955	8,047	5,903
Agricultural	41,931	43,924	42,103
Land and land development	9,601	9,358	11,243
Owner-occupied commercial real estate	84,810	84,693	81,560
Commercial real estate	260,059	250,639	244,364
Small business administration	90,621	91,741	84,799
Consumer	117,524	120,524	120,032
Total gross loans held for investment	\$ 738,096	\$ 732,110	\$ 697,782