NEWS RELEASE

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BNCCORP, INC. REPORTS SECOND QUARTER NET INCOME OF $1.9 MILLION, OR $0.53 PER DILUTED SHARE

Highlights

- **Net income during the second quarter of 2024 increased $1.3 million, or 224.0%, to $1.9 million, or $0.53 per diluted share, from $574 thousand, or $0.16 per diluted share, in the 2023 period.**
- **Second quarter 2024 return on average assets of 0.82% compared to 0.25% in the 2023 period.**
- **Net interest margin increased to 3.58% in the second quarter of 2024 compared to 3.52% in the first quarter of 2024.**
- **Efficiency ratio improved to 72.86% during the second quarter of 2024 compared to 73.50% in the first quarter of 2024.**
- **For the quarter, the Community Banking segment reported net income of $2.2 million, or $0.62 per diluted share, compared to net income of $2.8 million, or $0.79 per diluted share, in the same period of 2023.**
- **Yields on loans held for investment was 5.59% for the second quarter of 2024 compared to 5.23% in the second quarter of 2023.**
- **During the quarter, loans held for investment increased by $9.1 million compared to the first quarter of 2024, or 1.3%. As a result, loans held for investment have increased $18.2 million, or 2.7%, to $687.0 million from $668.8 million at December 31, 2023.**
- **The ratio of loans held for investment-to-deposits increased to 86.7% at June 30, 2024 from 79.9% at December 31, 2023.**
- **Allowance for credit losses as of June 30, 2024, decreased to 1.38% of loans held for investment compared to 1.39% as of December 31, 2023.**

BISMARCK, ND, July 31, 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 second quarter ended June 30, 2024.

Management Commentary

"Year-to-date results reflect a more stable earnings stream than a year ago, allowing greater focus on critical core banking objectives that build incremental shareholder value over time. During the quarter, we expanded loans held for investment by $9.1 million, continuing the trend from the first quarter of 2024. We maintained relationship deposit balances, with only a marginal increase in our cost of funds when compared to the first quarter of 2024, and continued our focus of managing expenses. Our attention to these fundamental community banking objectives has given rise to more consistent earnings of $1.7 million and $1.9 million sequentially in each of the first two quarters of 2024 despite continued economic uncertainty," said Daniel J. Collins, BNC's President and Chief Executive Officer.

Mr. Collins added, "We strive for sustainable quality loan growth, while supporting this goal with a conservative credit culture. The second quarter loan originations' average yield of 7.93% was slightly ahead of the 7.60% yield achieved in the first quarter. This steady approach to lending and providing high-quality service to our customers will continue to be the compass that helps us navigate a dynamic economic landscape."

"Consistent with prior quarters, our strategy remains to deliver sustainable growth, anchored by strong risk management practices and a culture of building strong customer relationships that have weathered the extreme volatility experienced in recent years."

2024 Versus 2023 Second Quarter Comparison

SEGMENT DATA (in thousands)	For the Quarter Ended June 30, 2024				
	Community Banking	Mortgage Banking (a)	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	$ 7,842	$ -	$ (245)	$ -	$ 7,597
Provision for credit losses	30	-	-	-	30
Non-interest income	1,549	-	596	(677)	1,468
Non-interest expense	6,497	-	784	(677)	6,604
Income (loss) before taxes	2,864	-	(433)	-	2,431
Income tax expense (benefit)	673	-	(102)	-	571
Net income (loss)	$ 2,191	$ -	$ (331)	$ -	$ 1,860

	For the Quarter Ended June 30, 2023				
	Community Banking	Mortgage Banking	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	$ 8,114	$ 147	$ (218)	$ -	$ 8,043
Provision for credit losses	165	-	-	-	165
Non-interest income	1,950	2,172	521	(931)	3,712
Non-interest expense	6,178	4,845	748	(931)	10,840
Income (loss) before taxes	3,721	(2,526)	(445)	-	750
Income tax expense (benefit)	907	(626)	(105)	-	176
Net income (loss)	$ 2,814	$ (1,900)	$ (340)	$ -	$ 574

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

The Community Banking Segment reported net income of $2.2 million, or $0.62 per diluted share, for the quarter compared to $2.8 million, or $0.79 per diluted share, in the second quarter of 2023. Interest expense increased by $973 thousand when compared to the 2023 period because of rate increases made by the Federal Reserve, an impact partially offset by a $7.0 million decrease in average interest bearing deposits compared to the prior year period. The increase in interest expense was also offset by $701 thousand higher interest income from loan growth and increased yields on earning assets. The Community Banking Segment reported $401 thousand in lower non-interest income primarily due to a $74 thousand decrease in off balance sheet deposit income and $319 thousand less in management fee income from the Mortgage Segment. Non-interest expense was slightly higher in the 2024 period due to normal inflationary pressures on salaries and benefits, data processing fees, regulatory costs, and other expense, an increase that was partially offset by lower cost for professional services, marketing, occupancy, and office supplies and postage compared to the same period in 2023. Additional savings have been realized as the Company has lowered the number of its full-time equivalent employees by 3.5% since December 31, 2023.

Consolidated net interest income for the second quarter of 2024 was $7.6 million, a decrease of $446 thousand, or 5.5%, from $8.0 million in the second quarter of 2023. Net interest margin was 3.58% in the second quarter of 2024 compared to 3.68% reported in the prior year period. The increase in interest bearing cash and 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, second-quarter interest income increased $554 thousand, or 5.2%, from $10.7 million to $11.3 million. The 5.30% average yield on interest-earning assets in the quarter improved from the 4.90% average yield in the second quarter of 2023 because of higher yields on interest-earning assets, a $47.7 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 upward to coincide with the rising interest rate environment. The weighted average interest rate on loans held for investment originated in the second quarter of 2024 was 7.93%, compared to 6.27% during the second quarter 2023.

Consolidated interest expense in the second quarter of 2024 was $3.7 million, an increase of $1.0 million from the 2023 period. As a result, the cost of core deposits in the second quarter of 2024 rose to 1.74% versus 1.20% in the second quarter of 2023.

The consolidated average balance of deposits decreased by $19.7 million compared to the second quarter of 2023. The cost of interest-bearing liabilities was 2.34% during the second quarter of 2024, compared to 1.68% 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 June 30, 2024, nonperforming assets were $3.1 million, representing a ratio of nonperforming assets to total assets of 0.33%. These results are a reduction from the $3.4 million in nonperforming assets, a 0.35% ratio of nonperforming assets to total assets, held on December 31, 2023. At June 30, 2024, $1.7 million of the nonperforming loans were SBA loans supported by material government guarantees. The Company recorded a $30 thousand provision for credit losses in the second quarter of 2024 compared to a $165 thousand provision in the second quarter of 2023. The allowance for credit losses decreased slightly to 1.38% of loans held for investment as of June 30, 2024 compared to 1.39% on December 31, 2023.

Non-interest income for the Community Banking Segment during the second quarter of 2024 was $1.5 million, compared to $2.0 million in the 2023 second quarter. Bank charges and service fees were $111 thousand lower quarter-over-quarter primarily 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 other financial institutions to meet their liquidity needs. The deposits can be reclaimed for future liquidity use by the Company at any time. Fees derived from the movement of deposits off the balance sheet began late in the first quarter of 2022 and can fluctuate significantly based on our customers' excess funding needs. As of June 30, 2024, off-balance sheet deposits amounted to $16.8 million compared to $34.8 million as of December 31, 2023. Consolidated other income in the second quarter of 2024 increased by $139 thousand compared to previous year period as the Company realized lower losses on the sale of fixed assets of $116 thousand compared to the 2023 period as well as higher SBIC and BOLI revenue year-over-year.

Non-interest expense for the Community Banking Segment during the second quarter of 2024 increased $319 thousand, or 5.2%, year-over-year. The increase is primarily due to higher salaries and benefits, data processing fees, regulatory costs, and other expense which were partially offset by lower costs for professional services, marketing, occupancy, office supplies and postage versus the same period of 2023.

In the second quarter of 2024, consolidated income tax expense was $571 thousand, compared to $176 thousand in the second quarter of 2023. Despite this increase, the Company's effective tax rate remained unchanged at 23.5% for both periods.

Tangible book value per common share on June 30, 2024, was $29.05, 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 an increase in accumulated other comprehensive loss. This was offset by earnings during the period and capital management activities. During the first quarter of 2024, the Company repurchased 50,000 shares of the Company's common stock at a total cost of $1,162,500, or $23.25 per share, excluding the cost of commissions, transaction charges, and taxes. The Company's tangible common equity capital ratio was 11.16% on June 30, 2024, compared to 11.19% on December 31, 2023.

2024 Versus 2023 Six-Month Comparison

SEGMENT DATA (in thousands)	For the Six Months Ended June 30, 2024 Community Banking	Mortgage Banking (a)	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	$ 15,923	$ -	$ (467)	$ -	$ 15,456
Provision for credit losses	245	-	-	-	245
Non-interest income	3,167	-	1,137	(1,298)	3,006
Non-interest expense	13,242	-	1,567	(1,298)	13,511
Income (loss) before taxes	5,603	-	(897)	-	4,706
Income tax expense (benefit)	1,317	-	(211)	-	1,106
Net income (loss)	$ 4,286	$ -	$ (686)	$ -	$ 3,600

	For the Six Months Ended June 30, 2023 Community Banking	Mortgage Banking	Holding Company	Intercompany Eliminations	BNCCORP Consolidated
Net interest income (expense)	$ 16,611	$ 302	$ (429)	$ -	$ 16,484
Provision for credit losses	405	-	-	-	405
Non-interest income	4,177	4,019	1,071	(1,924)	7,343
Non-interest expense	12,689	8,459	1,522	(1,924)	20,746
Income (loss) before taxes	7,694	(4,138)	(880)	-	2,676
Income tax expense (benefit)	1,862	(1,026)	(207)	-	629
Net income (loss)	$ 5,832	$ (3,112)	$ (673)	$ -	$ 2,047

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

The Community Banking Segment reported net income of $4.3 million, or $1.20 per diluted share, in the first six months of 2024 compared to $5.8 million in the same period of 2023. Interest expense increased by $3.2 million when compared to the 2023 period because of rate changes made by the Federal Reserve in addition to the $20.5 million increase in average interest bearing deposits when compared to the prior year period. The increase in interest expense was partially offset by $2.5 million higher interest income from loan growth and increased yields on earning assets. For the first six months of 2024, the Community Banking Segment reported $1.0 million lower non-interest income over the same period of 2023 primarily due to a $373 thousand decrease in off balance sheet deposit income and $664 thousand less in management fee income from the Mortgage Segment that was partially offset by higher SBIC revenues when compared to 2023. Non-interest expense was higher in the 2024 period due to normal inflationary pressures on salaries and benefits, increased data processing fees, regulatory and other expense that was partially offset by lower professional services, marketing, and depreciation compared to the same period in 2023. As noted above, the Company has lowered the number of its full-time equivalent employees by 3.5% since December, 31, 2023.

Consolidated net interest income in the first half of 2024 was $15.5 million, a decrease of $1.0 million, or 6.2%, from $16.5 million in the first half of 2023. Net interest margin was 3.55% in the 2024 six-month period compared to 3.83% reported in the prior year period. The increase in interest bearing cash and 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, the six-month period interest income increased $2.2 million, or 10.7%, from $20.7 million to $22.9 million. The 5.26% average yield on interest-earning assets in the first half of 2024 was higher than the 4.81% average yield in the first half of 2023 because of higher yields on interest-earning assets, a $48.2 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 average balances of debt securities and loans held for sale. It is noteworthy that the Company's variable rate assets have continued to re-price upward to coincide with the rising interest rate environment.

Consolidated interest expense in the first half of 2024 was $7.5 million, an increase of $3.3 million from the 2023 period. As a result, the cost of core deposits in the first six months of 2024 rose to 1.74% versus 0.94% in the first six months of 2023.

The average balance of deposits increased by $5.1 million compared to the first half of 2023. The cost of interest-bearing liabilities was 2.34% during the first six months of 2024, compared to 1.37% 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.

Non-interest income for the Community Banking Segment in the first six months of 2024 was $3.2 million, compared to $4.2 million in the first six months of 2023. Bank charges and service fees were $410 thousand lower period-over-period primarily due to lower deposits held in one-way sell positions. 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 June 30, 2024, off-balance sheet deposits amounted to $16.8 million compared to $34.8 million as of December 31, 2023. Consolidated other income in the first six months of 2024 increased by $210 thousand compared to the first six months of 2023 because of a reduction of $127 thousand on losses on sale of fixed assets when compared to the 2023 period along with higher SBIC and BOLI revenue recorded in 2024.

Non-interest expense for the Community Banking Segment in the first six months of 2024 increased $553 thousand, or 4.4%, 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, marketing, and depreciation expense.

During the six-month period ended June 30, 2024, consolidated income tax expense was $1.1 million, compared to $629 thousand in the first half of 2023. Even so, the Company's effective tax rate was 23.5% in the first half of 2024, unchanged from the same period of 2023.

Assets and Liabilities

At the consolidated level, total assets were $915.8 million at June 30, 2024 versus $968.2 million at December 31, 2023. Total loans held for investment were $687.0 million on June 30, 2024 compared to $668.8 million on December 31, 2023. Debt securities decreased $24.7 million from year-end 2023, primarily due to normal amortization, while cash and cash equivalent balances totaled $56.1 million on June 30, 2024 compared to $102.5 million on December 31, 2023.

Total deposits decreased $44.8 million to $792.4 million as of June 30, 2024, from an elevated balance of $837.2 million on December 31, 2023, a move 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 substantial 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:

(In thousands)	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
Deposits:			
Non-interest-bearing	$ 171,112	$ 184,442	$ 181,508
Interest-bearing –			
Savings, interest checking and money market	546,080	582,855	563,878
Time deposits	75,173	69,906	59,111
Total on balance sheet deposits	792,365	837,203	804,497
Off-balance sheet deposits (1)	16,814	34,792	4,808
Total available deposits	$ 809,179	$ 871,995	$ 809,305

(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, 2024, the Company managed off-balance sheet time deposit balances of $24.5 million, compared to $18.7 million time deposit balances as of December 31, 2023 and $34.7 million time deposit balances as of June 30, 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 more 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 decreased to $16.8 million at June 30, 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 3.9%, or $15.0 million, to $403.8 million at June 30, 2024, from $388.8 million at December 31, 2023. During the first half 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 $9.4 million as of June 30, 2024, versus $9.3 million on December 31, 2023. The allowance as a percentage of loans held for investment on June 30, 2024 decreased slightly from 1.39% as of December 31, 2023 to 1.38% at current quarter end.

Past due loans for a period of 31-89 days decreased to $364 thousand as of June 30, 2024, compared to $4.8 million as of December 31, 2023, as these loans migrated back to a current status. Nonperforming assets were $3.1 million on June 30, 2024, compared to $3.4 million on December 31, 2023. The ratio of nonperforming assets-to-total-assets was 0.33% at June 30, 2024 versus 0.35% at December 31, 2023. At June 30, 2024, $1.7 million of the nonperforming loans were SBA loans that are supported by material government guarantees. As of June 30, 2024, the Company did not hold any other real estate and held $11 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 June 30, 2024, classified loans were $5.4 million with $3.0 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 June 30, 2024 and December 31, 2023, the Company had $11.8 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 23%, respectively, of the Company's total loans held for investment portfolio.

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

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

The following table approximately describes the Company’s concentrations by:

Loans Held for Investment by Industry Sector (in thousands)	**June 30, 2024**		**December 31, 2023**	
Non-owner Occupied Commercial Real estate – not otherwise categorized	$ 193,127	28 %	$ 198,428	30 %
Consumer, not otherwise categorized	103,451	15	99,702	15
Hotels	82,704	12	83,985	13
Retail trade	36,171	5	35,827	5
Healthcare and social assistance	39,798	6	32,011	5
Agriculture, forestry, fishing and hunting	36,622	5	33,503	5
Transportation and warehousing	29,694	4	27,905	4
Art, entertainment and recreation	28,122	4	27,507	4
Non-hotel accommodation and food service	25,515	4	24,637	4
Mining, oil and gas extraction	21,483	3	22,149	3
Other service	13,775	2	11,940	2
Construction contractors	12,073	2	16,082	2
Professional, scientific, and technical services	11,585	2	9,570	1
Real estate and rental and leasing support services	9,761	2	9,804	2
Manufacturing	9,665	2	7,801	1
Finance and insurance	9,141	1	6,781	1
Public administration	7,365	1	7,837	1
Educational services	6,339	1	4,246	1
All other	9,504	1	8,051	1
Gross loans held for investment	$ 685,895	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 June 30, 2024, the Company’s loans related to office space were 2.90% of loans held for investment, and are primarily concentrated in North Dakota, with only 0.27% within the Arizona market.

Capital

Banks and bank holding companies operate under separate regulatory capital requirements. As of June 30, 2024, the Company’s capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

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

	June 30, 2024	December 31, 2023
BNCCORP, INC. (Consolidated)		
Tier 1 leverage	14.30%	14.52%
Common equity tier 1 risk based capital	13.81%	14.58%
Tier 1 risk based capital	15.71%	16.49%
Total risk based capital	16.87%	17.64%
Tangible common equity	11.16%	11.19%
BNC National Bank		
Tier 1 leverage	13.36%	12.54%
Common equity tier 1 risk based capital	14.68%	14.25%
Tier 1 risk based capital	14.68%	14.25%
Total risk based capital	15.84%	15.40%
Tangible common equity	11.98%	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 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 $1,162,500, or $23.25 per share, excluding the cost of commissions, transaction charges and taxes. No other share repurchase of common stock were made by the Company during 2024. As of June 30, 2024, there was 125,000 shares remaining under the Board of Directors' current authorized share repurchase program.

About BNCCORP, INC.

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

This news release may contain "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of BNC. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management are generally identifiable by the use of words such as “expect”, “believe”, “anticipate”, “at the present time”, “plan”, “optimistic”, “intend”, “estimate”, “may”, “will”, “would”, “could”, “should”, “future” and other expressions relating to future periods. Examples of forward-looking statements include, among others, statements we make regarding our expectations regarding future market conditions and our ability to capture opportunities and pursue growth strategies, our expected operating results such as revenue growth and earnings and our expectations of the effects of the regulatory environment or future pandemics on our earnings for the foreseeable future. Forward-looking statements are neither historical facts nor assurances of future performance. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, but are not limited to: the impact of pandemics, the impact of current and future regulation; the risks of loans and investments, including dependence on local and regional economic conditions; competition for our customers from other providers of financial services; possible adverse effects of changes in interest rates, including the effects of such changes on derivative contracts and associated accounting consequences; risks associated with our acquisition and growth strategies; and other risks which are difficult to predict and many of which are beyond our control. In addition, all statements in this news release, including forward-looking statements, speak only of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

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

(Financial tables attached)

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BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended June 30, 2024	For the Quarter Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
INCOME STATEMENT				
Interest income	$ 11,251	$ 10,697	$ 22,928	$ 20,703
Interest expense	3,654	2,654	7,472	4,219
Net interest income	7,597	8,043	15,456	16,484
Provision for credit losses	30	165	245	405
Net interest income after provision for credit losses	7,567	7,878	15,211	16,079
Non-interest income				
Bank charges and service fees	774	885	1,567	1,977
Wealth management revenues	502	483	1,000	970
Mortgage banking revenues	-	2,292	-	4,148
Gains on sales of loans, net	3	2	3	10
Gains on sales of debt securities, net	-	-	-	12
Other	189	50	436	226
Total non-interest income	1,468	3,712	3,006	7,343
Non-interest expense				
Salaries and employee benefits	3,769	5,061	7,812	10,004
Professional services	263	1,689	518	2,586
Data processing fees	862	1,064	1,707	2,053
Marketing and promotion	194	1,360	382	2,729
Occupancy	378	482	768	994
Regulatory costs	137	94	272	200
Depreciation and amortization	273	284	539	577
Office supplies and postage	102	132	198	228
Other	626	674	1,315	1,375
Total non-interest expense	6,604	10,840	13,511	20,746
Income before taxes	2,431	750	4,706	2,676
Income tax expense	571	176	1,106	629
Net income	$ 1,860	$ 574	$ 3,600	$ 2,047
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,533,359	3,578,029	3,555,215	3,576,803
Dilutive effect of share-based compensation	5,793	2,244	5,516	2,281
Adjusted weighted average shares (b)	3,539,152	3,580,273	3,560,731	3,579,084
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.53	$ 0.16	$ 1.01	$ 0.57
Diluted earnings per common share	$ 0.53	$ 0.16	$ 1.01	$ 0.57

(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, 2024	As of December 31, 2023	As of June 30, 2023
BALANCE SHEET DATA			
Cash and cash equivalents	$ 56,104	$ 102,454	$ 16,640
Debt securities available for sale	135,082	159,772	165,745
FRB and FHLB stock	2,387	2,372	2,938
Loans held for sale-mortgage banking	-	-	67,228
Loans held for investment	687,009	668,808	640,989
Allowance for credit losses	(9,448)	(9,284)	(9,000)
Net loans held for investment	677,561	659,524	631,989
Premises and equipment, net	11,102	10,955	11,247
Operating lease right of use asset	771	938	867
Accrued interest receivable	4,299	4,206	3,458
Other	28,513	27,984	29,661
Total assets	$ 915,819	$ 968,205	$ 929,773
Deposits:			
Non-interest-bearing	$ 171,112	$ 184,442	$ 181,508
Interest-bearing –			
Savings, interest checking and money market	546,080	582,855	563,878
Time deposits	75,173	69,906	59,111
Total deposits	792,365	837,203	804,497
Guaranteed preferred beneficial interest in Company's subordinated debentures	15,464	15,464	15,000
Accrued interest payable	1,095	937	451
Accrued expenses	2,856	4,105	4,987
Operating lease liabilities	870	1,048	986
Other	854	1,030	1,026
Total liabilities	813,504	859,787	826,947
Common stock	35	36	36
Capital surplus – common stock	26,841	26,572	26,634
Retained earnings	88,643	93,186	89,528
Treasury stock	(2,687)	(1,528)	(1,664)
Accumulated other comprehensive income, net	(10,517)	(9,848)	(11,708)
Total stockholders' equity	102,315	108,418	102,826
Total liabilities and stockholders' equity	$ 915,819	$ 968,205	$ 929,773
OTHER SELECTED DATA			
Trust assets under administration	$ 403,839	$ 388,829	$ 380,422
Core deposits (1)	$ 792,365	$ 837,203	$ 804,497
Tangible book value per common share (2)	$ 29.05	$ 30.38	$ 28.87
Tangible book value per common share excluding accumulated other comprehensive income, net	$ 32.04	$ 33.13	$ 32.16
Full time equivalent employees	139	144	207
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 June 30, 2024			For the Quarter Ended June 30, 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	$ 46,258	$ 631	5.48%	$ 27,829	$ 358	5.15%	$ 24	$ 249	$ 273
FRB and FHLB stock	2,387	38	6.40%	2,938	36	4.91%	7	(5)	2
Debt securities available for sale	136,806	1,173	3.45%	170,176	1,361	3.21%	96	(284)	(188)
Loans held for sale-mortgage banking	-	-	0.00%	53,857	732	5.45%	(366)	(366)	(732)
Loans held for investment	677,454	9,409	5.59%	629,712	8,210	5.23%	557	642	1,199
Allowance for credit losses	(9,431)	-	0.00%	(8,922)	-	0.00%	-	-	-
Total	$ 853,474	$ 11,251	5.30%	$ 875,590	$ 10,697	4.90%	$ 318	$ 236	$ 554
Liabilities									
Interest checking and money market	$ 497,882	$ 2,803	2.26%	$ 516,489	$ 2,238	1.74%	$ 463	$ 102	$ 565
Savings	43,278	12	0.11%	48,099	13	0.11%	-	(1)	(1)
Time deposits	70,535	575	3.28%	54,150	154	1.14%	360	61	421
Short-term borrowings	-	-	0.00%	212	-	0.00%	-	-	-
Subordinated debentures	15,464	264	6.86%	15,000	249	6.67%	7	8	15
Total	$ 627,159	$ 3,654	2.34%	$ 633,950	$ 2,654	1.68%	$ 830	$ 170	$ 1,000
Net Interest Income		$ 7,597			$ 8,043				
Net Interest Spread			2.96%			3.22%			
Net Interest Margin			3.58%			3.68%			

AVERAGE BALANCE, YIELD EARNED, AND COST PAID (dollars in thousands)	For the Six Months Ended June 30, 2024			For the Six Months Ended June 30, 2023			Six Month 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	$ 65,896	$ 1,796	5.48%	$ 33,998	$ 793	4.70%	$ 151	$ 852	$ 1,003
FRB and FHLB stock	2,380	71	6.00%	3,008	72	4.83%	11	(12)	(1)
Debt securities available for sale	142,325	2,437	3.44%	172,871	2,737	3.19%	189	(489)	(300)
Loans held for sale-mortgage banking	-	-	0.00%	41,492	1,130	5.49%	(565)	(565)	(1,130)
Loans held for investment	674,745	18,624	5.55%	626,507	15,971	5.14%	1,342	1,311	2,653
Allowance for credit losses	(9,357)	-	0.00%	(8,844)	-	0.00%	-	-	-
Total	$ 875,989	$ 22,928	5.26%	$ 869,032	$ 20,703	4.81%	$ 1,128	$ 1,097	$ 2,225
Liabilities									
Interest checking and money market	$ 514,559	$ 5,838	2.28%	$ 502,764	$ 3,478	1.40%	$ 1,403	$ 957	$ 2,360
Savings	43,174	23	0.11%	50,517	24	0.09%	3	(4)	(1)
Time deposits	70,025	1,085	3.12%	53,933	231	0.86%	764	90	854
Short-term borrowings	-	-	0.00%	501	6	2.42%	(3)	(3)	(6)
Subordinated debentures	15,464	526	6.84%	15,000	480	6.45%	30	16	46
Total	$ 643,222	$ 7,472	2.34%	$ 622,715	$ 4,219	1.37%	$ 2,197	$ 1,056	$ 3,253
Net Interest Income		$ 15,456			$ 16,484				
Net Interest Spread			2.93%			3.44%			
Net Interest Margin			3.55%			3.83%			

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended June 30, 2024	For the Quarter Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
OTHER AVERAGE BALANCES				
Total assets	907,476	930,674	929,850	923,692
Core deposits	784,981	804,922	803,323	798,482
Total equity	101,024	104,780	102,420	103,782
KEY RATIOS				
Return on average common stockholders' equity (a)	6.67%	2.00%	6.39%	3.61%
Return on average assets (b)	0.82%	0.25%	0.78%	0.45%
Efficiency ratio (Consolidated)	72.86%	92.22%	73.18%	87.07%
Efficiency ratio (Bank)	69.22%	88.71%	69.40%	83.78%

(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 June 30, 2024	As of December 31, 2023	As of June 30, 2023
ASSET QUALITY			
Loans 90 days or more delinquent and accruing interest	$ 85	$ 832	$ -
Non-accrual loans	2,970	2,519	1,434
Total nonperforming loans	$ 3,055	$ 3,351	$ 1,434
Repossessed assets, net	11	33	42
Total nonperforming assets	$ 3,066	$ 3,384	$ 1,476
Allowance for credit losses	$ 9,448	$ 9,284	$ 9,000
Ratio of total nonperforming loans to total loans	0.44%	0.50%	0.20%
Ratio of total nonperforming assets to total assets	0.33%	0.35%	0.16%
Ratio of nonperforming loans to total assets	0.33%	0.35%	0.15%
Ratio of allowance for credit losses to loans held for investment	1.38%	1.39%	1.40%
Ratio of allowance for credit losses to total loans	1.38%	1.39%	1.27%
Ratio of allowance for credit losses to nonperforming loans	309%	277%	628%

(In thousands)	For the Quarter Ended June 30, 2024	For the Quarter Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 3,433	$ 1,469	$ 3,351	$ 1,355
Additions to nonperforming	617	121	1,583	332
Charge-offs	(1)	(80)	(2)	(87)
Reclassified back to performing	(883)	-	(1,715)	(1)
Principal payments received	(97)	(45)	(130)	(119)
Transferred to repossessed assets	(14)	(31)	(32)	(46)
Balance, end of period	$ 3,055	$ 1,434	$ 3,055	$ 1,434

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended June 30, 2024	For the Quarter Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 9,623	$ 9,145	$ 9,459	$ 8,831
Cumulative effect of CECL adoption	-	-	-	125
Provision	30	165	245	405
Loans charged off	(74)	(108)	(129)	(165)
Loan recoveries	24	10	28	16
Balance, end of period	$ 9,603	$ 9,212	$ 9,603	$ 9,212
Components:				
Allowance for loan losses	$ 9,448	$ 9,000	$ 9,448	$ 9,000
Allowance for unfunded commitments	$ 155	$ 212	$ 155	$ 212
Ratio of net charge-offs to average total loans	(0.007)%	(0.014)%	(0.015)%	(0.022)%
Ratio of net charge-offs to average total loans, annualized	(0.030)%	(0.057)%	(0.030)%	(0.045)%

(In thousands)	As of June 30, 2024	As of December 31, 2023	As of June 30, 2023
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 63,168	$ 62,019	$ 63,052
Construction	1,420	5,247	16,550
Agricultural	38,701	35,220	31,062
Land and land development	8,507	7,992	6,225
Owner-occupied commercial real estate	36,596	35,260	31,637
Commercial real estate	134,852	135,858	124,619
Small business administration	18,843	18,046	17,782
Consumer	91,974	88,066	84,891
Subtotal gross loans held for investment	$ 394,061	$ 387,708	$ 375,818
Consolidated			
Commercial and industrial	$ 95,577	$ 93,949	$ 97,856
Construction	8,474	21,648	34,821
Agricultural	41,702	37,720	33,587
Land and land development	10,689	8,416	7,862
Owner-occupied commercial real estate	86,706	84,386	75,225
Commercial real estate	250,784	245,939	232,222
Small business administration	75,030	63,836	55,862
Consumer	116,933	111,872	102,476
Total gross loans held for investment	$ 685,895	$ 667,766	$ 639,911