UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission file number 001-42517

Northpointe Bancshares, Inc.

(Exact name of registrant as specified in its charter)

Michigan	**38-3413392**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3333 Deposit Drive Northeast Grand Rapids, Michigan	**49546**
(Address of Principal Executive Offices)	(Zip Code)

(616) 940-9400

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value	NPB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company, "and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	o
		Emerging growth company	x

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes o No x

As of November 12, 2026, there were 34,581,842 shares of the registrant's Common Stock outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are intended to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. These statements are based on management's beliefs, assumptions, current expectations, estimates and projections regarding, among other things, the financial services industry, the economy, and Northpointe Bancshares, Inc. ("Northpointe" or the "Company"), the Company's financial condition, results of operations, business plans and future performance. Forward-looking statements are identifiable by words or phrases such as "outlook", "plan" or "strategy"; that an event or trend "could", "may", "should", "will", "is likely", or is "possible" or "probable" to occur or "continue", has "begun" or "is scheduled" or "on track" or that the Company or its management "anticipates", "believes", "estimates", "plans", "forecasts", "intends", "predicts", "projects", or "expects" a particular result, or is "committed", "confident", "optimistic" or has an "opinion" that an event will occur, or other words or phrases such as "ongoing", "future", "signs", "efforts", "tend", "exploring", "appearing", "until", "near term", "concern", "going forward", "focus", "starting", "initiative," "trend" and variations of such words and similar expressions.

Such statements are based upon current beliefs and expectations and involve substantial risks and uncertainties which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact could be forward-looking statements, and all statements with references to future time periods are forward-looking. All of the information concerning interest rate sensitivity is forward-looking.

These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("risk factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements.

Risk factors include, but are not limited to, the risk factors described in "Item 1A - Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K") and in this report. These and other factors are representative of the risk factors that may emerge and could cause a difference between an ultimate actual outcome and the preceding forward-looking statements.

A number of important factors could cause our actual results to differ materially from those indicated in these forward-looking statements, including those factors discussed in the 2025 Form 10-K, elsewhere in this report and the following:

- general economic and business conditions nationally and in our local markets, including conditions affecting employment levels, interest rates, inflation, tariffs or trade wars (including reduced consumer spending, supply chain issues, and adverse impacts to credit quality), a sustained increase in commodity prices, slowdowns in economic growth and the threat of recession, volatile equity capital markets, supply chain issues, property and casualty insurance costs, collateral values, customer income, creditworthiness and confidence, spending and savings that may affect customer bankruptcies, defaults, charge-offs and deposit activity; and the impact of the foregoing on customer and client behavior (including the velocity and levels of deposit withdrawals and loan repayment);
- changes in the interest rate environment (including changes to the federal funds rate and the impact on the level and composition of deposits (as well as the cost of, and competition for, deposits), loan demand, liquidity and the values of loan collateral, securities and market fluctuations, and interest rate sensitive assets and liabilities), and competition in our markets may result in increased funding costs or reduced earning assets yields, thus reducing our margins and net interest income;
- adverse developments in the banking industry and the impact of such developments on customer confidence, liquidity and regulatory responses to these developments (including increases in the cost of our deposit insurance assessments and increased regulatory scrutiny), our ability to effectively manage our liquidity risk and any growth plans and the availability of capital and funding;
- our ability to comply with applicable capital and liquidity requirements, including our ability to generate liquidity internally or raise capital on favorable terms, including continued access to the debt and equity capital markets;
- the risk that a future economic downturn and contraction could have a material adverse effect on our capital, financial condition, credit quality, results of operations and future growth, including the risk that the strength of the current economic environment could be weakened by the continued impact of elevated or rising interest rates and inflation;
- factors that can impact the performance of our loan portfolio, including real estate values and liquidity in our primary market areas, the financial health of our borrowers and the success of various projects that we finance;

- changes in the prices, values and sales volumes of commercial and residential real estate, especially as they relate to the value of collateral supporting the Company's loans;
- weakness in the real estate market, including the secondary residential mortgage market, and changes in the programs, practices or financial condition of Fannie Mae, Freddie Mac, Ginnie Mae or other purchasers or guarantors of mortgage loans, which can affect, among other things, the value of collateral securing mortgage loans, mortgage loan originations and delinquencies, the availability and pricing of mortgage financing, our ability to sell mortgage loans, profits on sales of mortgage loans, and the value of mortgage servicing rights;
- credit and lending risks associated with our loan portfolios;
- risks associated with our Mortgage Purchase Program ("MPP"), including the financial condition and performance of participating mortgage bankers, changes in mortgage origination volumes, the ability of mortgage bankers to sell mortgage loans into the secondary market on a timely basis, increases in the time loans remain outstanding under MPP facilities, and our ability to manage counterparty, concentration, liquidity and credit risks associated with the MPP business;
- negative impact on our mortgage banking services, including declines in our mortgage originations or profitability due to prolonged elevated or rising interest rates and increased competition and regulation, changes in the scope or composition of our mortgage banking operations, including as a result of the proposed sale of our distributed retail and consumer direct mortgage origination channels, the Bank's or third party's failure to satisfy mortgage servicing obligations, loan modifications, the effects of judicial or regulatory requirements or guidance, and the possibility of the Bank being required to repurchase mortgage loans or indemnify buyers;
- the impact of prolonged elevated interest rates on our financial projections, models and guidance;
- our ability to attract sufficient loans that meet prudent credit standards;
- our ability to attract and maintain business banking relationships with well-qualified businesses, real estate developers and investors with proven track records in our market areas;
- our ability to successfully manage our credit risk;
- the sufficiency of our allowance for credit losses ("ACL"), the adequacy of our reserves (including ACL) and the appropriateness of our methodology for calculating such reserves, including risks related to model assumptions, data inputs, qualitative adjustments and changes in economic forecasts;
- our ability to successfully execute our business strategy to achieve profitable growth;
- risks associated with our common stock repurchase program, including the timing and amount of any repurchases, the possibility that we may not repurchase the full amount authorized under the program, the availability of capital and liquidity to fund repurchases, market conditions and the market price of our common stock, and the impact of any repurchases on our capital levels and ability to pursue other strategic objectives;
- the concentration of our business within our geographic areas of operation;
- our ability to manage our growth;
- our ability to increase our operating efficiency;
- significant turbulence or a disruption in the capital or financial markets and the effect of a fall in stock market prices on our investment securities;
- risks that our cost of funding could increase, in the event we are unable to continue to attract stable, low-cost deposits and reduce our cost of deposits, including risks associated with our use of brokered deposits and other wholesale funding sources, changes in depositor behavior and increased competition for deposits;
- inability of our risk management framework (including internal controls) to effectively mitigate credit risk, interest rate risk, liquidity risk, price risk, compliance risk, operational risk (including by virtue of our relationships with third-party business partners, as well as our relationships with third-party vendors and other service providers), strategic risk, reputational risk and other risks inherent to the business of banking;
- our ability to maintain expenses in line with current projections;
- the makeup of our asset mix and investments;

- external economic, political and/or market factors, such as changes in monetary and fiscal policies and laws, and also including the interest rate policies of the Federal Reserve, inflation or deflation, changes in the demand for loans, and fluctuations in consumer spending, borrowing and savings habits, which may have an adverse impact on our financial condition;
- the institution and outcome of litigation and other legal proceedings against us or to which we may become subject to and the potential effect on our reputation;
- negative publicity and the impact on our reputation; including the speed and scale at which information can spread through social media or digital channels, which could amplify adverse market or customer reactions;
- the impact of recent and future legislative and regulatory changes;
- examinations by our regulatory authorities and changes to supervisory, examination and enforcement priorities;
- continued or increasing competition from other financial institutions, credit unions, and non-bank financial services companies (including fintech companies), many of which are subject to different regulations than we are;
- challenges arising from unsuccessful attempts to expand into new geographic markets, products, or services;
- restraints on the ability of Northpointe Bank (the "Bank") to pay dividends to us, which could limit our liquidity;
- increased capital requirements imposed by banking regulators, which may require us to raise capital at a time when capital is not available on favorable terms or at all;
- inaccuracies in our assumptions about future events, which could result in material differences between our financial projections and actual financial performance;
- changes in our management personnel or our inability to retain, motivate and hire qualified management personnel;
- the dependence of our operating model on our ability to attract and retain experienced and talented bankers in each of our markets, which may be impacted as a result of labor shortages;
- our ability to identify and address cyber security risks, fraud and systems errors, including the impact on our reputation and the costs and effects required to address such risks, fraud and systems errors;
- disruptions, security breaches, or other adverse events, failures or interruptions in, or attacks on, our information technology systems, which may be exacerbated by the continued development and implementation of generative artificial intelligence, including risks arising from reliance on third-party AI tools, model limitations, data integrity issues or regulatory uncertainty, and the cost of defending against them and any reputational or other financial risks following such a cybersecurity incident;
- our business relationships with, and reliance upon, third parties that have strategic partnerships with us or that provide key components of our business infrastructure, including the costs of services and products provided to us by third parties, and disruptions in service, security breaches, financial difficulties with or other adverse events affecting a third-party vendor or business relationship;
- an inability to keep pace with the rate of technological advances due to a lack of resources to invest in new technologies;
- fraudulent and negligent acts by our clients, employees or vendors and our ability to identify and address such acts;
- risks related to potential acquisitions;
- risks associated with the proposed sale of our distributed retail and consumer direct mortgage origination channels to CMG Mortgage Inc. and its affiliates ("CMG"), including the risk that the transaction may not be completed on the anticipated timeline or at all, the failure to satisfy closing conditions, the occurrence of events that could give rise to termination of the definitive agreement, the diversion of management's attention from ongoing business operations, disruption to customer, employee and other business relationships, difficulties in retaining employees through the completion of the transaction, the amount and timing of restructuring and other transaction-related charges, the possibility that actual cost savings may be less than anticipated or may take longer to realize than expected, and other unanticipated costs, liabilities or consequences arising from or relating to the transaction;
- compliance with governmental and regulatory requirements, including the Dodd-Frank Act and others relating to banking, consumer protection, securities and tax matters, and our ability to maintain licenses required in connection with commercial mortgage origination, sale and servicing operations;

- changes in the scope and cost of Federal Deposit Insurance Corporation ("FDIC") insurance and other coverage;
- changes in our accounting standards;
- changes in tariffs and trade barriers;
- changes in federal tax law or policy;
- the effects of war or other conflicts, civil unrest, acts of terrorism, acts of God, natural disasters, health emergencies, epidemics or pandemics, climate changes, or other catastrophic events that may affect general economic conditions or cause other disruptions and/or increase costs, including, but not limited to, property and casualty and other insurance cost;
- action or inaction by the federal government, including as a result of any prolonged government shutdown (including a partial shutdown) or government intervention in the U.S. financial system;
- a deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, and uncertainties surrounding the debt ceiling and the federal budget; and
- other factors and risks described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein and in any of the Company's subsequent reports filed with the SEC and available on its website at www.sec.gov.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in Item 1A of the 2025 Form 10-K and in any of Northpointe's subsequent SEC filings. Because of these risks and other uncertainties, our actual future results, performance or achievement, or industry results, may be materially different from the results indicated by the forward looking statements. In addition, our past results of operations are not necessarily indicative of our future results. You are cautioned not to place undue reliance on these forward looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, changes in assumptions or otherwise, except as required by law.

Northpointe Bancshares, Inc.

Item 1. Financial Statements

Consolidated Balance Sheets
September 30, 2026 and December 31, 2025
(unaudited)
(Dollars in thousands)

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 489,901	$ 496,459
Equity securities	1,283	1,347
Debt securities available for sale	4,858	4,738
Federal Home Loan Bank ("FHLB") stock	77,207	80,109
Loans held for sale, at fair value	173,047	309,213
Total loans held for investment ("HFI") - ($151,455 and $178,578 at fair value at September 30, 2026 and December 31, 2025, respectively)	6,793,691	6,021,527
Allowance for credit losses	(9,960)	(10,435)
Net loans	6,783,731	6,011,092
Mortgage servicing rights, at fair value	31,040	17,048
Intangible assets, net	1,074	1,513
Premises and equipment	26,694	27,571
Lender risk account	27,350	30,446
Other assets	50,427	43,289
Total Assets	**$ 7,666,612**	**$ 7,022,825**
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	$ 294,330	$ 275,974
Interest-bearing	5,149,429	4,593,693
Total deposits	5,443,759	4,869,667
Borrowings	1,427,500	1,439,500
Subordinated debentures	112,038	91,915
Subordinated debentures issued through trusts	5,000	5,000
Deferred tax liability	5,795	3,786
Other liabilities	47,831	43,915
Total Liabilities	7,041,923	6,453,783
Stockholders' Equity		
Preferred Stock Non-Cumulative - No Par Value; 5,000,000 shares authorized		
Series B - 25,000 shares issued and outstanding at September 30, 2026 and December 31, 2025 with a liquidation preference of $25,000		
Common Stock - No Par Value		
Authorized - 101,500,000; shares issued and outstanding - 34,581,842 and 34,494,116 shares at September 30, 2026 and December 31, 2025, respectively		
Additional paid in capital	206,104	204,875
Retained earnings	418,692	364,366
Accumulated other comprehensive loss	(107)	(199)
Total Stockholders' Equity	624,689	569,042
Total Liabilities and Stockholders' Equity	**$ 7,666,612**	**$ 7,022,825**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Income
Three and Nine Months Ended September 30, 2026 and 2025
(unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Interest Income				
Loans - including fees	$ 104,078	$ 94,044	$ 299,118	$ 252,376
Investment securities - taxable	82	87	199	399
FHLB stock - taxable	1,779	1,605	5,305	4,786
Interest bearing deposits	4,826	6,100	14,685	16,518
Total interest income	110,765	101,836	319,307	274,079
Interest Expense				
Deposits	50,415	48,169	142,585	128,061
Subordinated debentures	2,420	679	7,041	2,244
Borrowings	14,275	12,657	42,330	36,534
Total interest expense	67,110	61,505	191,956	166,839
Net interest income	43,655	40,331	127,351	107,240
Provision (benefit) for credit losses	920	852	715	2,785
Provision (benefit) for unfunded commitments	(75)	(24)	(105)	(79)
Net interest income after provision (benefit) for credit losses and unfunded commitments	42,810	39,503	126,741	104,534
Noninterest income				
Service charges on deposits and other fees	343	217	922	635
Loan servicing fees	7,589	1,117	13,405	3,637
Mortgage Purchase Program ("MPP") fees	2,188	1,457	6,465	3,952
Net gain on sale of loans	2,188	20,953	35,780	58,892
Other noninterest income (loss)	(46)	285	(271)	2,224
Total noninterest income	12,262	24,029	56,301	69,340
Noninterest expense				
Salaries and employee benefits	21,909	24,336	71,288	67,012
Occupancy and equipment	726	811	2,291	2,701
Data processing expense	2,604	2,190	7,473	6,451
Professional fees	1,492	1,701	4,172	4,722
Other taxes and insurance	1,955	1,998	6,179	4,974
Other noninterest expense	7,365	3,322	14,302	9,590
Total noninterest expense	36,051	34,358	105,705	95,450
Income - before income taxes	19,021	29,174	77,337	78,424
Income tax expense	4,646	7,001	19,061	18,658
Net income	14,375	22,173	58,276	59,766
Preferred stock dividends	453	2,041	1,359	6,544
Net income available to common stockholders	$ 13,922	$ 20,132	$ 56,917	$ 53,222
Basic earnings per common share	$ 0.40	$ 0.58	$ 1.64	$ 1.61
Diluted earnings per share	$ 0.39	$ 0.57	$ 1.61	$ 1.58

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Comprehensive Income
Three and Nine Months Ended September 30, 2026 and 2025
(unaudited)
(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 14,375	$ 22,173	$ 58,276	$ 59,766
Other comprehensive income (loss)				
Unrealized gains (losses):				
Net change in unrealized gain (loss) on debt securities available for sale	(23)	(33)	120	177
Tax effect	(6)	(8)	28	42
Net change in unrealized gain (loss) on debt securities available for sale, net of tax	(17)	(25)	92	135
Less: reclassification adjustments:				
Reclassifications for gains (losses) included in net income	—	—	—	—
Tax effect	—	—	—	—
Reclassifications for gains (losses) included in net income, net of tax	—	—	—	—
Total other comprehensive income (loss)	(17)	(25)	92	135
Comprehensive income	**$ 14,358**	**$ 22,148**	**$ 58,368**	**$ 59,901**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Changes in Stockholders' Equity
Three and Nine Months Ended September 30, 2026 and 2025
(unaudited)
(Dollars in thousands)

	Preferred Stock, Series A Shares	Preferred Stock, Series B Shares	Common Stock, Number of Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance - July 1, 2025	**77,000**	**25,000**	**34,364,659**	**$ 276,885**	**$ 327,556**	**$ (164)**	**$ 604,277**
Net income, three months	—	—	—	—	22,173	—	22,173
Other comprehensive income	—	—	—	—	—	(25)	(25)
Dividends declared ($0.025 per share)	—	—	—	—	(859)	—	(859)
Preferred stock dividends	—	—	—	—	(2,041)	—	(2,041)
Balance - September 30, 2025	**77,000**	**25,000**	**34,364,659**	**$ 276,885**	**$ 346,829**	**$ (189)**	**$ 623,525**
Balance - July 1, 2026	**—**	**25,000**	**34,581,842**	**$ 206,104**	**$ 405,634**	**$ (90)**	**$ 611,648**
Net income, three months	—	—	—	—	14,375	—	14,375
Other comprehensive income	—	—	—	—	—	(17)	(17)
Dividends declared ($0.025 per share)	—	—	—	—	(864)	—	(864)
Restricted stock units issued	—	—	—	—	—	—	—
Preferred stock dividends	—	—	—	—	(453)	—	(453)
Balance - September 30, 2026	**—**	**25,000**	**34,581,842**	**$ 206,104**	**$ 418,692**	**$ (107)**	**$ 624,689**
Balance - January 1, 2025	**82,000**	**25,000**	**25,684,560**	**$ 166,847**	**$ 295,967**	**$ (324)**	**$ 462,490**
Net income, nine months	—	—	—	—	59,766	—	59,766
Other comprehensive income	—	—	—	—	—	135	135
Dividends declared ($0.075 per share)	—	—	—	—	(2,360)	—	(2,360)
Preferred stock - repurchase	(5,000)	—	—	(4,840)	—	—	(4,840)
Issuance of common stock, net	—	—	8,621,539	114,150	—	—	114,150
Restricted stock units issued	—	—	49,560	714	—	—	714
Stock options exercised	—	—	9,000	14	—	—	14
Preferred stock dividends	—	—	—	—	(6,544)	—	(6,544)
Balance - September 30, 2025	**77,000**	**25,000**	**34,364,659**	**$ 276,885**	**$ 346,829**	**$ (189)**	**$ 623,525**
Balance - January 1, 2026	**—**	**25,000**	**34,494,116**	**$ 204,875**	**$ 364,366**	**$ (199)**	**$ 569,042**
Net income, nine months	—	—	—	—	58,276	—	58,276
Other comprehensive income	—	—	—	—	—	92	92
Dividends declared ($0.075 per share)	—	—	—	—	(2,591)	—	(2,591)
Restricted stock units issued	—	—	87,726	1,229	—	—	1,229
Preferred stock dividends	—	—	—	—	(1,359)	—	(1,359)
Balance - September 30, 2026	**—**	**25,000**	**34,581,842**	**$ 206,104**	**$ 418,692**	**$ (107)**	**$ 624,689**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2026 and 2025
(unaudited)
(Dollars in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash Flows from Operating Activities		
Net income	$ 58,276	$ 59,766
Adjustments to reconcile consolidated net income to net cash and cash equivalents provided by operating activities:		
Depreciation	1,753	1,891
Provision for credit losses	715	2,785
Provision (benefit) for unfunded commitments	(105)	(79)
Amortization of intangible asset	439	439
Amortization of debt issuance costs	247	270
Net gain on sale of loans	(35,780)	(58,892)
Proceeds from sales of loans held for sale	1,777,984	1,613,639
Origination of mortgage loans held for sale	(1,613,386)	(1,575,088)
Net gain on sale of other real estate	(143)	(170)
Net gain on sale of mortgage servicing rights	(77)	—
Write-down of other real estate	428	—
Net gain on extinguishment of debt	—	(2,048)
Change in fair value of mortgage servicing rights ("MSR")	(6,214)	1,919
Deferred tax expense (benefit)	1,981	(868)
Change in fair value of equity securities	64	(37)
Change in mortgage banking derivatives	(1,387)	143
Net change in:		
Other assets	(5,095)	17,256
Other liabilities	4,678	11,626
Net cash and cash equivalents provided by operating activities	184,378	72,552
Cash Flows from Investing Activities		
Purchase of FHLB stock	(2,795)	(10,535)
Redemption of FHLB stock	5,697	—
Proceeds from sale of available for sale debt securities	—	4,000
Purchase of seasoned AIO loans	(69,915)	—
Proceeds from sale of mortgage servicing rights	227	—
Purchase of mortgage servicing rights	—	(296)
Proceeds from sales of other real estate	739	3,321
Purchases of premises and equipment	(876)	(2,257)
Net increase in loans	(704,950)	(1,570,660)
Contributions to lender risk account ("LRA")	(882)	(958)
Proceeds from LRA	2,571	2,152
Net cash and cash equivalents used in investing activities	(770,184)	(1,575,233)
Cash Flows from Financing Activities		
Net change in deposits	574,092	1,347,082
Cash dividends paid on common stock	(2,591)	(2,360)
Subordinated debt call and repayment	—	(15,000)
Subordinated debt issuance, net of costs	19,877	—
Advances of FHLB borrowings	1,335,000	837,500
Repayment of FHLB borrowings	(1,330,000)	(846,702)
Net change in other borrowings	(17,000)	121,534
Issuance of common stock, net	—	114,150
Preferred stock dividend	(1,359)	(6,482)
Preferred stock repurchase	—	(4,902)
Restricted stock units issuance	1,229	714
Proceeds from exercised stock options	—	14
Net cash and cash equivalents provided by financing activities	579,248	1,545,548
Net (decrease) increase in cash and cash equivalents	(6,558)	42,867
Cash and cash equivalents - beginning of period	496,459	376,295
Cash and cash equivalents - end of period	**$ 489,901**	**$ 419,162**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows (Continued)
Nine Months Ended September 30, 2026 and 2025
(unaudited)
(Dollars in thousands)

Supplemental cash flow information	Nine Months Ended September 30, 2026	2025
Cash paid for:		
Interest	$ 189,984	$ 155,163
Income taxes	16,103	20,762
Non-cash supplemental information:		
Change in rebooked GNMA loans over 90 days	(238)	554
Loans transferred to other real estate	2,128	1,460
Loans transferred from loans held for sale to loans HFI at fair value	4,052	12,268
Loans transferred from loans HFI to loans held for sale at fair value	3,464	40,262

Northpointe Bancshares, Inc.

Notes to Consolidated Financial Statements (unaudited)

Note 1 — Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

Northpointe Bancshares, Inc.'s (the "Company") accounting and reporting policies and practices conform to accounting principles generally accepted in the United States of America ("GAAP"). The Company has two reportable segments, Retail Banking and Mortgage Purchase Program ("MPP"), which are discussed in more detail in Note 20. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Northpointe Bank (the "Bank"). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025 have been prepared in accordance with GAAP for interim financial information and Article 10 of Regulation S-X and, therefore, do not include all of the information and footnotes required by GAAP for complete financial statements. Accordingly, these statements should be read in conjunction with the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. The accounts of the Company and its consolidated subsidiary are included in the consolidated financial statements. The information furnished in these interim statements reflects all adjustments that are, in the opinion of management, necessary for a fair statement of the results for each respective period presented. Such adjustments are of a normal, recurring nature. The results of operations in the interim statements are not necessarily indicative of the results that may be expected for any other quarter or for the full year.

Significant Group Concentrations of Credit Risk

The Company's single banking branch is located in Michigan, but the Company markets its banking products to deposit customers located throughout the United States. The Company is also active nationwide in mortgage lending through a network of mortgage bankers and other financial institutions. Note 3 discusses the types of lending in which the Company engages. The Company's primary concentration is in residential real estate lending, which includes those funded through the MPP, as well as the origination of one-to-four family real estate mortgages, of which the majority are sold into the secondary market to end investors.

Use of Estimates

In preparing the consolidated financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated balance sheets and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance for credit losses, fair value of mortgage servicing rights, and fair value of the lender risk account.

Emerging Growth Company Status

The Company is an "emerging growth company" ("EGC") as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Section 107 of the JOBS Act provides that an EGC can take advantage of the extended transition period when complying with new or revised accounting standards. This allows an EGC to delay adoption of certain accounting standards until those standards apply to private companies; however, the EGC can still early adopt new or revised accounting standards. We have elected to take advantage of this extended transition period, which means these financial statements, as well as financial statements we file in the future will be subject to all new or revised accounting standards generally applicable to private companies, unless stated otherwise. This decision will remain in effect until the Company loses its EGC status.

Reclassifications

Some items in the prior year's consolidated financial statements were reclassified to conform to the current presentation. These reclassifications had no impact on the prior year's net income or stockholders' equity.

Note 1 — Summary of Significant Accounting Policies (continued)

Mortgage Purchase Program ("MPP")

Our MPP business provides independent mortgage bankers with an alternative to traditional mortgage warehouse lending. MPP utilizes a collateralized mortgage purchase facility with individual advances under the facility which are reviewed and approved by the Company and secured by our mortgage bankers' originated one-to-four family mortgage loans. These facilities enable the Company's MPP clients to close and fund their mortgages during a relatively short period (typically less than 60 days), and the originated loans are sold into the secondary market via government agencies (Fannie Mae, Freddie Mac or Ginnie Mae) or to institutional investors (banks, large mortgage companies, insurance companies, mortgage REIT's) or are securitized.

The Company also participates out portions of the individual advances ("the participating interest") through participation agreements with other financial institutions. Cash flows associated with the individual advances are shared on a pro-rata basis with the participating banks.

The Company charges the mortgage banker an administrative fee per individual mortgage loan and earns interest while the loan is owned by the Company. Fee income is included in MPP fees on the Consolidated Statements of Income. There were no delinquent loans or credit losses in the Company's MPP business during the nine months ended September 30, 2026 or 2025.

Extended dwell sub-limits of purchase facilities, which have longer than expected standard turn times to be sold, may be issued to the mortgage bankers to facilitate loans that may not be delivered to the secondary market within the terms of the original advance. At September 30, 2026 and December 31, 2025, the Bank had outstanding balances on these facilities of $58.7 million and $56.5 million, respectively.

Participations of the individual advances referenced above are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of the right) to pledge or exchange the transferred assets, and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Lender Risk Account ("LRA")

An LRA has been established for loans sold by the Company to the Federal Home Loan Bank of Indianapolis ("FHLB"). The LRA is funded through a reduction of the purchase price and maintained by the FHLB at an initial amount of 1.20% of the loan balance and is used to offset credit losses over the life of the loans sold by the Company to the FHLB. If the LRA has not been depleted by losses, funds are returned to the Company over time, beginning after five years and continuing through 25 years. As of September 30, 2026 and December 31, 2025, the Company had on deposit with the FHLB $54.4 million and $55.0 million, respectively, in the LRA. Additionally, as of September 30, 2026 and December 31, 2025, the Company estimated the guaranty account, which is recorded in other liabilities in the Company's Consolidated Balance Sheets, to be $4.5 million and $4.3 million, respectively. The Company amortizes the guarantee account over a five to nine year period. Amortization totaling $247,000 and $195,000 was recognized in net gain on sale of loans in the Company's consolidated statements of income during the three months ended September 30, 2026 and 2025, respectively. Amortization totaling $692,000 and $545,000 was recognized in net gain on sale of loans in the Company's consolidated statements of income during the nine months ended September 30, 2026 and 2025, respectively. The Company reports the changes in the fair value in the consolidated statements of income with net gain on sale of loans. The fair value of the LRA was $27.4 million and $30.4 million at September 30, 2026 and December 31, 2025, respectively. See Note 17 for a description of the methods and assumptions used to determine fair value at September 30, 2026 and December 31, 2025.

Note 1 — Summary of Significant Accounting Policies (continued)

Loans

In addition to the MPP program noted within this section, the Company also originates residential mortgages, including a specialized first mortgage revolving equity line of credit linked by one account to a demand deposit bank account of the borrower (which we refer to as All-in-One, or "AIO" loans). Excluding AIO loans, virtually all the Company's residential mortgages are saleable through an end investor. The ability of the Company's debtors to honor their contracts is dependent upon the real estate and general economic conditions in the markets where the Company has originated loans.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off and where the fair value option has not been elected are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for credit losses, any deferred fees or costs on originated loans and noncredit purchase discount on seasoned purchased loans. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the interest method.

Accrued interest receivable for loans is included in other assets on the Company's consolidated balance sheet. The Company elected not to measure an allowance for accrued interest receivable and instead elected to reverse accrued interest income on loans that are placed on nonaccrual status. Accrued interest on loans totaled $35.4 million and $28.3 million as of September 30, 2026 and December 31, 2025, respectively, and is included in other assets in the Consolidated Balance Sheets.

The accrual of interest on loans is discontinued at the time the loan goes delinquent (120 days for mortgages and 90 days for commercial) unless the credit is well secured and in process of collection. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses ("Allowance" or "ACL")

Management estimates the allowance by using relevant available information from internal and external sources related to historical loss experience, current borrower risk characteristics, current economic conditions, reasonable and supportable forecasts, and other relevant factors. The allowance is measured on a collective or pool basis when similar risk characteristics exist or on an individual basis when loans have unique risk characteristics which differentiate them from other loans within the loan segment. The process for estimating credit losses incorporates methodologies and procedures specific to the residential and commercial loan portfolios, each of which has unique risk characteristics. Each of these portfolios is further disaggregated into loan segments, which are discussed in more detail below.

A loss given default methodology is utilized to estimate losses on the residential loan portfolio. This methodology is used to project a default rate, prepayment rate, and severity factor for each loan in the portfolio to arrive at the lifetime credit loss for the construction, land development, home equity, and closed end first and second lien loans. The Company performs periodic backtesting on default, loss severity including cure rate and prepayment forecasts to determine if any adjustments should be made to the model, which includes a comparison of actual defaults, losses and prepayments with those originally forecasted. The accumulated expected credit losses are impacted by changes in borrower delinquencies, changes in loan to values, and changes in FICO scores. Lifetime credit losses are also adjusted by reasonable and supportable economic forecasts. As of September 30, 2026 and December 31, 2025, the Moody's Baseline September 2026 and December 2025 U.S. Macroeconomic Outlook, respectively, were utilized.

For the commercial loan portfolio, excluding MPP, a discounted cash flow methodology adjusted for peer group benchmarks on probability of default, prepayment speeds, and curtailment rate is used. Within the commercial loan portfolio, management utilizes an internal loan grading system and assigns each loan a grade of pass, special mention, substandard, or doubtful, which are more fully explained in Note 3. The amount of credit losses, if any, is measured by a comparison of the loan's carrying value to the net present value of future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected to be solely from the collateral.

Note 1 — Summary of Significant Accounting Policies (continued)

For MPP, a separate analysis is completed for the ACL associated with this portfolio due to its unique characteristics and absence of loss history. The portfolio typically includes a mandatory investor take-out commitment and is backed by a seller repurchase obligation. In addition, MPP clients close and fund their mortgages during a relatively short period (typically less than 30 days). As a result, these loans have generated no losses over the life of the program. Based on management's assessment of risk, a qualitative reserve has been established for this portfolio.

Loans that do not share risk characteristics are evaluated on an individual basis and are not included in the collective evaluation. Factors considered by management in determining credit losses include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as individually evaluated. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Credit losses are individually evaluated by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

Qualitative Factors

Each quarter, management also considers the need to adjust historical loss rates as determined to reflect the extent to which current conditions and reasonable and supportable economic forecasts are expected to differ or where specific risks and uncertainties are not fully captured by the quantitative model. These qualitative adjustments may increase or decrease the estimate of expected future credit losses. The qualitative factors include economic forecast uncertainty, underwriting and collection trends, changes in nature and volume of portfolio, changes in the volume and severity of past due loans, collateral trends, concentration risk, quality of loan review, changes in personnel, external factors, and other considerations.

Residential Loan Segments

Construction and land development: Construction and land development loans consist of loans to individuals for the construction of their primary residences. Loans to individuals for the construction of their residences typically run for up to 12 or 18 months and then convert to permanent loans. These construction loans have rates and terms comparable to one-to-four family loans. During the construction phase, the borrower pays interest only. The maximum loan-to-value ratio of owner-occupied single-family construction loans is 80%. Residential construction loans are generally underwritten pursuant to the same guidelines used for originating permanent residential loans.

Construction loans generally are made for relatively short terms. However, to the extent construction loans are not made to owner-occupants of single-family homes, they are more vulnerable to changes in economic conditions and the concentration of credit with a limited number of borrowers. Further, the nature of these loans is such that they are more difficult to evaluate and monitor. The risk of loss on a construction loan is dependent largely upon the accuracy of the initial estimate of the property's value upon timely completion of the project and the estimated cost (including interest) of the project.

Home equity lines of credit: Home equity lines of credit mainly consist of variable-rate home equity lines of credit secured by a lien on the borrower's primary residence. These include first-lien home equity lines which are tied seamlessly to a demand deposit sweep account, which are limited to 80% of the property value. Home equity products are limited to 90% of the property value less any other mortgages if the first loan is with the Bank. With the exception of limited saleable production, home equity products in a secondary lien position are limited to 85% of the property value less any superior liens. The Company uses the same underwriting standards for home equity lines of credit as it uses for one-to-four family residential mortgage loans. Home equity lines of credit provide for an initial draw period of up to ten years. Home equity loans are susceptible to weakening general economic conditions and increase in unemployment rates and declining real estate values.

Closed end, first and second liens: Closed end, first and second liens consist of one-to-four family residential loans which are primarily loans secured by first or second liens or mortgages on primary residences. The Company originates adjustable-rate and fixed-rate, one-to-four-family residential real estate loans for the construction, purchase or refinancing of a mortgage. These loans are collateralized by owner-occupied properties. Loans on one-to-four-family residential real estate are generally originated in amounts of up to 90% for owner-occupied one-to-four family homes and up to 85% for non-owner occupied homes. Mortgage title insurance and hazard insurance are normally required. Such loans are susceptible to weakening general economic conditions and increases in unemployment rates and declining real estate values.

Northpointe Bancshares, Inc.

Note 1 — Summary of Significant Accounting Policies (continued)

Commercial Loan Segments

Commercial: Commercial business loans and lines of credit consist of loans to small- and medium- sized companies in the Company's market area. Commercial business loans are generally used for working capital purposes. Risk to this category include declining valuation of collateral and weakening general economic conditions.

MPP: Individual advances under the facility are reviewed and approved by the Company and are secured by specific one-to-four family mortgage loans, which the mortgage banker intends to sell and deliver to the secondary market within 60 days. The MPP business is susceptible to weakening general economic conditions and increases in unemployment rates and declining real estate values.

Unfunded Loan Commitments

The Company is also required to consider expected credit losses associated with loan commitments over the contractual period in which it is exposed to credit risk on the underlying commitments unless the obligation is unconditionally cancellable by the Company. Any allowance for off balance sheet credit exposure is reported in other liabilities on the Company's consolidated balance sheets and is increased or decreased by provision for credit losses on the Company's consolidated statement of income. The calculation uses the same methodology, inputs, and assumptions as the funded portion of the loans at the segment level applied to the amount of commitments expected to be funded.

Repurchase Reserve

The Company sells residential mortgage loans to investors in the ordinary course of business. Residential mortgage loans sold to investors are predominantly conventional residential first lien mortgages originated under our usual underwriting procedures and are sold on a nonrecourse basis. The Company's agreements to sell residential mortgage loans usually require general representations and warranties on the underlying loans sold, related to credit information, loan documentation, collateral, and insurability, which if subsequently untrue or breached, could require the Company to indemnify or repurchase certain loans affected. The balance in the repurchase reserve at the balance sheet date reflects the estimated amount of potential loss the Company could incur from repurchasing a loan, as well as loss reimbursements, indemnification, and other "make whole" settlement resolutions. The Company's repurchase reserve was approximately $2.0 million and $2.1 million as of September 30, 2026 and December 31, 2025, respectively, and is included in other liabilities on the consolidated balance sheet.

Off-balance-sheet Instruments

In the ordinary course of business, the Company may enter into commitments under commercial letters of credit and standby letters of credit. Such financial instruments are recorded when they are funded. There were no letter of credit commitments as of September 30, 2026 or December 31, 2025.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value (less costs to sell) at the date of the foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less costs to sell. Related revenue, expenses, and changes in the valuation allowance are included in other expenses. Total other real estate owned included in other assets at September 30, 2026 and December 31, 2025 was approximately $2.8 million and $1.7 million, respectively. The Company had real estate in the process of foreclosure totaling $24.1 million as of September 30, 2026 and $18.1 million as of December 31, 2025.

Northpointe Bancshares, Inc.

Note 1 — Summary of Significant Accounting Policies (continued)

Leases

ASU 2016-02, Leases establishes a right-of-use (“ROU”) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Right of use assets and lease liabilities are recognized at lease commencement date based upon the estimated present value of lease payments over the lease term.

The ROU assets and lease liabilities were $896,000 and $890,000 at September 30, 2026 and were $1.0 million and $1.1 million, respectively, at December 31, 2025. ROU assets are included in other assets and lease liabilities are included in other liabilities in the Company’s consolidated balance sheets.

New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This ASU enhances income tax disclosures primarily through expanded rate reconciliation disclosures, including additional disaggregation of reconciling items; and enhanced disclosures of income taxes paid, including disaggregation by federal, state, and foreign jurisdictions and disclosure of significant individual jurisdictions. The Company adopted ASU 2023-09 effective January 1, 2025 on a prospective basis. The adoption did not have an impact on the Company's consolidated financial position, results of operations, cash flows, or earnings per share because the standard affects disclosure requirements only. The Company included the additional disclosures required by ASU 2023-09 in Note 14, Income Taxes.

Effective July 1, 2026, the Company early adopted Accounting Standards Update No. 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans. The amendments require entities to apply the gross-up approach to certain acquired loans that qualify as purchased seasoned loans and align the accounting for those loans with the accounting model for purchased credit deteriorated assets. Under the new guidance, an ACL is recognized at acquisition with a corresponding adjustment to the amortized cost basis of the acquired loan, rather than recognizing a provision expense at acquisition. The Company adopted the standard prospectively, which was applied to unpaid principal balance of $85.4 million in seasoned AIO loans (“Acquired AIO Loans”) that the Company purchased on September 30, 2026. Loans acquired through this purchase that met the definition of purchased seasoned loans under Topic 326 were accounted for using the gross-up approach. Accordingly, the Company recorded an allowance for credit losses of $33,000 and an allowance for unfunded commitments of $29,000 on loans considered to be purchased seasoned loans (“PSL”) with an offsetting increase to the amortized cost basis of the acquired loans on the acquisition date. Eight loans totaling $2.2 million were considered to be purchased credit deteriorated (“PCD”) assets, and each was determined to be well secured, which required no initial ACL. No provision for credit losses was recognized related to the AIO loans upon acquisition. The adoption of this standard did not have a material effect on the Company’s consolidated financial statements or regulatory capital ratios.

Issued Not Yet Effective Accounting Pronouncement

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in this ASU require disclosure, in the notes to financial statements, of specified information about certain costs and expenses, including (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil-and gas-producing activities (DD&A) (or other amounts of depletion expense) included in each relevant expense caption. The ASU is effective for public business entities for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is allowed. The ASU can be applied prospectively. The Company is currently assessing the impact of the update and its operations, financial position, and disclosures.

Note 1 — Summary of Significant Accounting Policies (continued)

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events through the date the consolidated financial statements were issued.

On October 20, 2026, the Company announced its plans to sell the distributed retail and consumer direct mortgage origination channels (the "Mortgage Origination Channels") by entering into a non-binding letter of intent with CMG. On October 26, 2026, the Company entered into a definitive agreement with CMG regarding the proposed transaction. The proposed transaction does not include the transfer of any loans or other assets. Under the agreement, CMG will pay the Company 15 basis points on any first-lien mortgage originations closed through the Company's Mortgage Origination Channels until December 31, 2028. The agreement contains customary closing conditions, representation and warranties, covenants, and termination rights and the transaction is currently expected to be completed by November 30, 2026. Loans currently in process will continue to be closed.

On October 26, 2026, the Company announced that its Board of Directors authorized a new common stock repurchase program at its meeting held on October 22, 2026. The program authorizes the Company to repurchase up to $30 million of its outstanding common stock and will expire on October 22, 2027.

Note 2 — Debt Securities

The amortized costs, fair values, and unrealized gains and losses of debt securities available for sale were as follows as of the dates indicated (dollars in thousands):

September 30, 2026	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt securities available for sale				
Subordinated corporate bonds	$ 5,000	$ —	$ (142)	$ 4,858
Total	$ 5,000	$ —	$ (142)	$ 4,858

December 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt securities available for sale				
Subordinated corporate bonds	$ 5,000	$ —	$ (262)	$ 4,738
Total	$ 5,000	$ —	$ (262)	$ 4,738

As of September 30, 2026 and December 31, 2025, there was no allowance for credit losses on debt securities available for sale.

There were no sales of debt securities available for sale in the three and nine months ended September 30, 2026. Proceeds from the sale of debt securities available for sale were $4.0 million in the three and nine months ended September 30, 2025, resulting in no net gain.

At September 30, 2026 and December 31, 2025, the Company held one bond which was in an unrealized loss position for more than twelve months. The Company believes the unrealized loss on this bond is interest rate driven, not credit related and temporary. The Company has no intent or requirement to sell the bond in a loss position.

The following tables show investments with gross unrealized losses and their market value aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at the dates indicated (dollars in thousands):

	Less Than 12 Months		12 Months or More		Total	
September 30, 2026	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Debt securities available for sale						
Subordinated corporate bonds	$ —	$ —	$ 4,858	$ (142)	$ 4,858	$ (142)
Total	$ —	$ —	$ 4,858	$ (142)	$ 4,858	$ (142)

	Less Than 12 Months		12 Months or More		Total	
December 31, 2025	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Debt securities available for sale						
Subordinated corporate bonds	$ —	$ —	$ 4,738	$ (262)	$ 4,738	$ (262)
Total	$ —	$ —	$ 4,738	$ (262)	$ 4,738	$ (262)

Debt securities, at par value, have the following contractual maturities as of September 30, 2026 (dollars in thousands):

September 30, 2026	Within 1 Year	1 - 5 Years	5 - 10 Years	Greater than 10 years	Total
Debt securities available for sale					
Subordinated corporate bonds	$ —	$ —	$ 5,000	$ —	$ 5,000
Total	$ —	$ —	$ 5,000	$ —	$ 5,000

Note 3 — Loans and Allowance for Credit Losses

The following table shows a summary of the balances of loans as of the dates indicated (dollars in thousands):

	September 30, 2026	December 31, 2025
Residential	$ 2,582,342	$ 2,573,890
Commercial	20,418	15,521
MPP	4,200,647	3,424,935
Total loans	6,803,407	6,014,346
Less:		
Allowance for credit losses	9,960	10,435
Net deferred loan (cost)/fees and purchase discount	9,716	(7,181)
Net loans	$ 6,783,731	$ 6,011,092

The residential portfolio includes $151.5 million and $178.6 million of loans measured at fair value on September 30, 2026 and December 31, 2025, respectively.

Activity in the allowance for credit losses for the three months ended September 30, 2026 is summarized as follows (dollars in thousands):

	Three Months Ended September 30, 2026				
	Residential	Commercial	MPP	Unallocated	Total
Beginning balance	$ 7,804	$ 57	$ 1,575	$ —	$ 9,436
Initial ACL on PCD Acquired AIO Loans	—	—	—	—	—
Initial ACL on PSL Acquired AIO Loans	33	—	—	—	33
Charge-offs	(594)	—	—	—	(594)
Recoveries	163	2	—	—	165
Provision (benefit)	828	(13)	105	—	920
Ending balance	$ 8,234	$ 46	$ 1,680	$ —	$ 9,960

Activity in the allowance for credit losses for the three months ended September 30, 2025 is summarized as follows (dollars in thousands):

	Three Months Ended September 30, 2025				
	Residential	Commercial	MPP	Unallocated	Total
Beginning balance	$ 11,213	$ 3	$ 1,157	$ 2	$ 12,375
Charge-offs	(978)	—	—	—	(978)
Recoveries	—	1	—	—	1
Provision (benefit)	642	22	189	(1)	852
Ending balance	$ 10,877	$ 26	$ 1,346	$ 1	$ 12,250

Note 3 — Loans and Allowance for Credit Losses (continued)

Activity in the allowance for credit losses for the nine months ended September 30, 2026 is summarized as follows (dollars in thousands):

	Nine Months Ended September 30, 2026				
	Residential	Commercial	MPP	Unallocated	Total
Beginning balance	$ 8,999	$ 61	$ 1,370	$ 5	$ 10,435
Initial ACL on PCD Acquired AIO Loans	—	—	—	—	—
Initial ACL on PSL Acquired AIO Loans	33	—	—	—	33
Charge-offs	(1,610)	—	—	—	(1,610)
Recoveries	273	114	—	—	387
Provision (benefit)	539	(129)	310	(5)	715
Ending balance	$ 8,234	$ 46	$ 1,680	$ —	$ 9,960

Activity in the allowance for credit losses for the nine months ended September 30, 2025 is summarized as follows (dollars in thousands):

	Nine Months Ended September 30, 2025				
	Residential	Commercial	MPP	Unallocated	Total
Beginning balance	$ 10,468	$ 32	$ 684	$ 6	$ 11,190
Charge-offs	(1,786)	—	—	—	(1,786)
Recoveries	53	8	—	—	61
Provision (benefit)	2,142	(14)	662	(5)	2,785
Ending balance	$ 10,877	$ 26	$ 1,346	$ 1	$ 12,250

Activity in the allowance for unfunded commitments for the three and nine months ended September 30, 2026 and 2025 is summarized as follows (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Beginning balance	$ 300	$ 330	$ 330	$ 385
Initial ACL on PSL Acquired AIO Loans	29	—	29	—
Charge-offs	—	—	—	—
Recoveries	—	—	—	—
Provision (benefit)	(75)	(24)	(105)	(79)
Ending balance	$ 254	$ 306	$ 254	$ 306

Note 3 — Loans and Allowance for Credit Losses (continued)

Nonaccrual Loans

The following table presents the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing in the HFI portfolio, excluding those loans carried at fair value, as of September 30, 2026 (dollars in thousands):

	September 30, 2026				
	Nonaccrual with No Allowance	Nonaccrual with Allowance	Total Nonaccrual	Over 90 days Accruing	Total
Residential:					
Construction and land development	$ 4,081	$ 1,400	$ 5,481	$ —	$ 5,481
Home equity lines of credit	13,181	1,600	14,781	—	14,781
Closed end, first liens	39,972	7,280	47,252	7,886	55,138
Closed end, second liens	2,327	243	2,570	431	3,001
Commercial	190	—	190	—	190
Total	$ 59,751	$ 10,523	$ 70,274	$ 8,317	$ 78,591

The following table presents the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing in the HFI portfolio, excluding those loans carried at fair value, as of December 31, 2025 (dollars in thousands):

	December 31, 2025				
	Nonaccrual with No Allowance	Nonaccrual with Allowance	Total Nonaccrual	Over 90 days Accruing	Total
Residential:					
Construction and land development	$ 4,501	$ 1,248	$ 5,749	$ 1,329	$ 7,078
Home equity lines of credit	10,905	2,763	13,668	588	14,256
Closed end, first liens	40,381	9,423	49,804	4,422	54,226
Closed end, second liens	1,146	410	1,556	—	1,556
Commercial	154	—	154	—	154
Total	$ 57,087	$ 13,844	$ 70,931	$ 6,339	$ 77,270

The Bank has not recognized any material interest income on nonaccrual loans during the three and nine months ended September 30, 2026 or 2025.

Note 3 — Loans and Allowance for Credit Losses (continued)

Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the sale of the collateral and the borrower is experiencing financial difficulty. The allowance is calculated on an individual loan basis of the shortfall between the fair value of the loan's collateral, which is adjusted for selling costs, and the loan's amortized cost. If the fair value of the collateral exceeds the loan's amortized cost, no allowance is necessary.

The amortized cost of collateral dependent loans by class as of September 30, 2026 and December 31, 2025 was as follows (dollars in thousands):

	September 30, 2026		
	Collateral Type		
	Real Estate	Other	Allowance Allocated
Residential:			
Construction and land development	$ 4,761	$ —	$ 172
Home equity lines of credit	14,343	—	55
Closed end, first liens	42,120	—	103
Closed end, second liens	2,327	—	—
Commercial	190	$ —	—
Total	$ 63,741	$ —	$ 330

	December 31, 2025		
	Collateral Type		
	Real Estate	Other	Allowance Allocated
Residential:			
Construction and land development	$ 4,501	$ —	$ —
Home equity lines of credit	12,864	—	130
Closed end, first liens	41,844	—	26
Closed end, second liens	1,105	—	9
Commercial	154	$ —	—
Total	$ 60,468	$ —	$ 165

Age Analysis of Loans

The following tables detail the age analysis of loans, excluding those loans carried at fair value, at September 30, 2026 and December 31, 2025 (dollars in thousands):

	September 30, 2026					
	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans
Residential:						
Construction and land development	$ 2,577	$ 1,704	$ 3,507	$ 7,788	$ 106,702	$ 114,490
Home equity lines of credit	1,839	3,147	10,723	15,709	927,810	943,519
Closed end, first liens	20,929	10,085	42,012	73,026	1,228,165	1,301,191
Closed end, second liens	510	1,108	2,662	4,280	57,691	61,971
Commercial	—	—	190	190	20,228	20,418
MPP	—	—	—	—	4,200,647	4,200,647
Total	$ 25,855	$ 16,044	$ 59,094	$ 100,993	$ 6,541,243	$ 6,642,236

Note 3 — Loans and Allowance for Credit Losses (continued)

	December 31, 2025					
	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater than 90 Days	Total Past Due	Current	Total Loans
Residential:						
Construction and land development	$ 4,540	$ 2,135	$ 5,623	$ 12,298	$ 135,250	$ 147,548
Home equity lines of credit	4,187	916	10,944	16,047	769,936	785,983
Closed end, first liens	21,994	7,568	38,751	68,313	1,329,394	1,397,707
Closed end, second liens	1,857	1,090	1,105	4,052	67,203	71,255
Commercial	55	—	153	208	15,313	15,521
MPP	—	—	—	—	3,424,935	3,424,935
Total	$ 32,633	$ 11,709	$ 56,576	$ 100,918	$ 5,742,031	$ 5,842,949

Modifications to Borrowers Experiencing Financial Difficulty

On occasion, the Company modifies loans to borrowers in financial distress by providing principal forgiveness, term extensions, interest rate reductions, or payment delays. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses. In some cases, the Company provides multiple types of concessions on one loan.

During the three months ended September 30, 2026, there were 14 closed end, first lien loans totaling $4.5 million that were both experiencing financial difficulty and modified during the period. These loans were a combination of term extensions and interest rate reductions and each were on nonaccrual status at time of modification. During the three months ended September 30, 2025, there were four closed end, first lien loans totaling $1.6 million that were both experiencing financial difficulty and modified during the period. These loans were a combination of term extensions and interest rate reductions and each were on nonaccrual status at time of modification.

During the nine months ended September 30, 2026, there were $9.2 million in loans that were both experiencing financial difficulty and modified during the period: 30 closed end, first lien loans totaling $8.8 million and one home equity line of credit for $276,000. These loans were a combination of term extensions and interest rate reductions and each were on nonaccrual status at time of modification. During the nine months ended September 30, 2025, there were $5.8 million in loans that were both experiencing financial difficulty and modified during the period: 18 closed end, first liens, for $5.5 million and one home equity line of credit for $249,000. These loans were a combination of term extensions and interest rate reductions and each were on nonaccrual status at time of modification.

There were $7.2 million of loans that had modifications to borrowers experiencing financial difficulty within the previous twelve months that became 30 days or more past due during the nine months ended September 30, 2026. There were no material modifications to borrowers experiencing financial difficulty within the previous twelve months that became 30 days or more past due during the nine months ended September 30, 2025.

Note 3 — Loans and Allowance for Credit Losses (continued)

Credit Quality Indicators

The Company categorized each loan into credit risk categories based on current financial information, overall debt service coverage, comparison against industry averages, collateral coverage, historical payment experience, and current economic trends. Residential real estate is evaluated for credit risk based on performing or non-performing classification. The Company uses the following definitions for credit risk ratings:

Performing

Residential real estate credits not covered by the non-performing definition below.

Non-performing

Residential real estate loans classified as non-performing are generally loans on nonaccrual status.

Pass

Commercial credits not covered by the definitions below are pass credits, which are not considered to be adversely rated.

Special Mention

Loans classified as special mention, or watch credits, have a potential weakness or weaknesses that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution may sustain some loss if the deficiencies are not corrected.

Note 3 — Loans and Allowance for Credit Losses (continued)

The following table reflects amortized cost basis of loans and year to date charge-offs (excluding those loans carried at fair value) as of September 30, 2026 based on year of origination (dollars in thousands):

	2026	2025	2024	2023	2022	Prior		Revolving Loans Amortized Cost Basis	Total
Construction and land development:									
Performing	$ 3,043	$ 2,450	$ 3,330	$ 21,655	$ 37,423	$ 41,108		$ —	$ 109,009
Nonperforming	—	—	170	2,348	2,261	702		—	5,481
Total	3,043	2,450	3,500	24,003	39,684	41,810		—	114,490
Gross charge-offs	—	—	—	255	41	13		—	309
Home equity lines of credit:									
Performing	—	—	—	—	—	—		928,738	928,738
Nonperforming	—	—	—	—	—	—		14,781	14,781
Total	—	—	—	—	—	—		943,519	943,519
Gross charge-offs	—	—	—	325	13	105		—	443
First liens, closed end loans:									
Performing	4,788	8,212	27,301	62,867	924,066	226,705		—	1,253,939
Nonperforming	—	1,078	2,457	7,459	27,705	8,553		—	47,252
Total	4,788	9,290	29,758	70,326	951,771	235,258		—	1,301,191
Gross charge-offs	—	—	39	109	392	14		—	554
Second liens, closed end loans:									
Performing	89	2,771	3,183	8,461	26,104	18,793		—	59,401
Nonperforming	—	42	252	787	513	976		—	2,570
Total	89	2,813	3,435	9,248	26,617	19,769		—	61,971
Gross charge-offs	—	36	—	107	87	74		—	304
Commercial: Risk Rating									
Pass	—	—	—	—	—	20,228		—	20,228
Special mention	—	—	—	—	—	—		—	—
Substandard	—	—	—	—	—	190		—	190
Total	—	—	—	—	—	20,418	20,418	—	20,418
Gross charge-offs	—	—	—	—	—	—		—	—
MPP: Risk Rating									
Pass	—	—	—	—	—	—		4,200,647	4,200,647
Special mention	—	—	—	—	—	—		—	—
Total	—	—	—	—	—	—		4,200,647	4,200,647
Gross charge-offs	—	—	—	—	—	—		—	—
Grand total	$ 7,920	$ 14,553	$ 36,693	$ 103,577	$ 1,018,072	$ 317,255		$ 5,144,166	$ 6,642,236
Grand total gross charge-offs	$ —	$ 36	$ 39	$ 796	$ 533	$ 206		$ —	$ 1,610

There were no revolving loans converted to term loans during the nine months ended September 30, 2026.

Note 3 — Loans and Allowance for Credit Losses (continued)

The following table reflects amortized cost basis of loans and full year charge-offs as of December 31, 2025 (excluding those loans carried at fair value) based on year of origination (dollars in thousands):

	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Total
Construction and land development								
Performing	$ 3,640	$ 6,073	$ 35,304	$ 46,608	$ 33,323	$ 16,851	$ —	$ 141,799
Nonperforming	—	176	1,817	2,490	773	493	—	5,749
Total	3,640	6,249	37,121	49,098	34,096	17,344	—	147,548
Gross charge-offs	—	—	43	303	30	22	—	398
Home equity lines of credit:								
Performing	—	—	—	—	—	—	772,315	772,315
Nonperforming	—	—	—	—	—	—	13,668	13,668
Total	—	—	—	—	—	—	785,983	785,983
Gross charge-offs	—	2	230	416	21	—	—	669
First liens, closed end loans:								
Performing	10,612	31,083	73,710	990,798	139,513	102,187	—	1,347,903
Nonperforming	155	2,795	6,834	31,277	3,239	5,504	—	49,804
Total	10,767	33,878	80,544	1,022,075	142,752	107,691	—	1,397,707
Gross charge-offs	—	148	220	1,471	74	6	—	1,919
Second liens, closed end loans:								
Performing	3,112	4,229	11,767	29,114	7,812	13,665	—	69,699
Nonperforming	—	252	431	315	232	326	—	1,556
Total	3,112	4,481	12,198	29,429	8,044	13,991	—	71,255
Gross charge-offs	—	—	113	4	114	—	—	231
Commercial: Risk Rating								
Pass	—	—	—	—	—	312	15,000	15,312
Special mention	—	—	—	—	—	55	—	55
Substandard	—	—	—	—	—	154	—	154
Total	—	—	—	—	—	521	15,000	15,521
Gross charge-offs	—	—	—	—	—	—	—	—
MPP: Risk Rating								
Pass	—	—	—	—	—	—	3,424,935	3,424,935
Special mention	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	3,424,935	3,424,935
Gross charge-offs	—	—	—	—	—	—	—	—
Grand total	$ 17,519	$ 44,608	$ 129,863	$ 1,100,602	$ 184,892	$ 139,547	$ 4,225,918	$ 5,842,949
Grand total gross charge-offs	$ —	$ 150	$ 606	$ 2,194	$ 239	$ 28	$ —	$ 3,217

There were no revolving loans converted to term loans during 2025.

Note 4 — Bank Premises and Equipment, Net

The following table shows a summary of the cost and accumulated depreciation of premises and equipment as of the dates indicated (dollars in thousands):

	September 30, 2026	December 31, 2025
Land	$ 6,495	$ 6,370
Leasehold improvements	133	142
Buildings and building improvements	26,786	26,157
Furniture, fixtures, and equipment	7,687	7,197
Construction in progress	115	501
Total cost	41,216	40,367
Accumulated depreciation	(14,522)	(12,796)
Net	$ 26,694	$ 27,571

Depreciation expense for the three months ended September 30, 2026 and 2025 amounted to $574,000 and $615,000, respectively. Depreciation expense for the nine months ended September 30, 2026 and 2025 amounted to $1.8 million and $1.9 million, respectively.

Future undiscounted lease payments for operating leases with initial terms of one year or more as of September 30, 2026 are as follows (dollars in thousands):

2026	$ 194
2027	537
2028	233
2029	99
2030	—
Total undiscounted lease payments	1,063
Less discount to net present value	(173)
Total operating lease liabilities	$ 890

The lease liability is included in other liabilities in the Company's Consolidated Balance Sheet.

The weighted average remaining discount rate was 4.10% and weighted average remaining life was 2.04 years at September 30, 2026.

The leases contain options to extend for periods from 1 year to 5 years. The cost of such rentals is not included above. Total rent expense for the three months ended September 30, 2026 and 2025 amounted to $293,000 and $313,000, respectively. Total rent expense for the nine months ended September 30, 2026 and 2025 amounted to $902,000 and $947,000, respectively.

The Company also leases portions of its deposit branch and its operations center to third parties. The amounts included in occupancy and equipment expense are net of rental income of $455,000 and $390,000 for the three months ended September 30, 2026 and 2025, respectively. Rental income for the nine months ended September 30, 2026 and 2025 was $1.4 million and $970,000, respectively.

Note 4 — Bank Premises and Equipment, Net (continued)

Future income from non-cancelable lease agreements in effect at September 30, 2026 is as follows (dollars in thousands):

2026	$ 474
2027	1,884
2028	1,486
2029	1,154
2030	1,111
Thereafter	1,232
Total	$ 7,341

Note 5 — Mortgage Servicing Rights ("MSRs")

The right to service loans for others is recognized as an MSR on the balance sheet. MSRs are recognized either when purchased or when originated loans are sold with servicing retained. The unpaid principal balances of loans serviced for others were approximately $2.0 billion and $1.8 billion at September 30, 2026 and December 31, 2025, respectively. In addition, approximately $3.9 billion and $3.1 billion at September 30, 2026 and December 31, 2025, respectively, of loans were sub-serviced on behalf of other unaffiliated investors.

The following summarizes the components of loan servicing fees which are reported in loan servicing fees in the Company's consolidated statements of income as of the periods set forth in the table below (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Contractual servicing fees	$ 2,560	$ 2,013	$ 7,144	$ 5,512
Late fees	17	14	47	41
Other fees	—	—	—	3
Change in fair value of MSRs and paid in full	$ 5,012	$ (910)	$ 6,214	$ (1,919)
Total	$ 7,589	$ 1,117	$ 13,405	$ 3,637

At September 30, 2026 the fair value of MSRs was determined using discount rates between 9.0% and 11.5%, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 6.5%. At December 31, 2025 the fair value of MSRs was determined using discount rates between 9.0% and 11.5%, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 12.1%.

The following summarizes mortgage servicing rights capitalized and amortized as of the periods set forth in the table below (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Balance – Beginning of period	$ 23,088	$ 16,388	$ 17,048	$ 15,133
Additions	2,940	1,285	7,928	3,253
Paid in full loans	(391)	(238)	(1,295)	(539)
Change in fair value	5,403	(672)	7,509	(1,380)
Proceeds from sale	—	—	(227)	—
Bulk purchases	—	—	—	296
Gain on sale	—	—	77	—
Balance – End of period	$ 31,040	$ 16,763	$ 31,040	$ 16,763

Note 5 — Mortgage Servicing Rights (continued)

The following table summarizes the hypothetical effect on the fair value of servicing rights using adverse changes of 10.0% and 20.0% to the weighted-average of certain significant assumptions used in valuing these assets as of the dates indicated (dollars in thousands, except per loan):

	September 30, 2026			December 31, 2025		
	Actual	10% Adverse Change	20% Adverse Change	Actual	10% Adverse Change	20% Adverse Change
Discount rate change	9.4 %	$ 29,624	$ 28,323	9.5 %	$ 16,416	$ 15,829
Constant prepayment rate	6.5 %	30,096	29,204	12.1 %	16,321	15,662
Cost to service (per loan)	$ 74	30,712	30,384	$ 74	16,813	16,579

Note 6 — Derivative Financial Instruments

Forward contracts are contracts for delayed delivery of loans or mortgage-backed securities in which the seller agrees to make delivery at a future date of a specified instrument, at a specified price or yield. Risks arise from the possible inability of the Company to compile a portfolio of loans and from movements in interest rates. These contracts are used primarily to reduce the exposure to interest rate fluctuations for loans in progress and in loan inventory held for sale to investors. Most forward contracts are for terms of 30 days to 90 days. The Company had outstanding forward contracts of approximately $64.6 million and $184.6 million at September 30, 2026 and December 31, 2025, respectively. Forward commitments represent forward contracts, closed held for sale loans with a committed investor, and pair-off contracts.

Interest rate lock commitments, which are included in the commitments to extend credit in other assets and other liabilities in the consolidated balance sheets with the income offset recorded to gain on sale of loans, net in the consolidated statements of income, represent commitments to lend to customers at predetermined interest rates.

The following table presents the recorded unrealized gain/(loss) on derivative financial instruments at period end (dollars in thousands):

	September 30, 2026	December 31, 2025
Interest rate-lock commitments	$ 1,848	$ 2,706
Forward commitments	1,706	(538)

The following tables provide details on the Company's derivative financial instruments at September 30, 2026 and December 31, 2025 (dollars in thousands):

	September 30, 2026		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$ 99,214	$ 1,928	$ 80
Forward commitments	194,915	1,775	69
Total	$ 294,129	$ 3,703	$ 149

	December 31, 2025		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$ 144,154	$ 2,712	$ 6
Forward commitments	231,015	52	590
Total	$ 375,169	$ 2,764	$ 596

There was no counterparty collateral asset balance as of September 30, 2026. As of December 31, 2025, the counterparty collateral asset balance was $42,000 and was included in other assets in the consolidated balance sheets. As of September 30, 2026, the counterparty collateral liability balance was $614,000 and was included in other liabilities in the consolidated balance sheets. There was no counterparty collateral liability balance as of December 31, 2025.

Note 7 — Deposits

The following is a summary of the distribution of deposits at period end (dollars in thousands):

	September 30, 2026	December 31, 2025
Noninterest-bearing deposits	$ 294,330	$ 275,974
Interest-bearing demand deposits	1,518,425	1,032,334
Savings and money market accounts	372,406	555,255
Time:		
Under $250,000	3,159,108	2,870,288
$250,000 and over	99,490	135,816
Total	$ 5,443,759	$ 4,869,667

Brokered time deposits totaled $2.97 billion and $2.64 billion at September 30, 2026 and December 31, 2025, respectively. Management monitors concentrations in brokered deposits as part of its liquidity risk management practices and believes current levels are appropriate given the Company's diversified funding sources, liquidity position and balance sheet strategy.

At September 30, 2026, the scheduled maturities of time deposits are as follows (dollars in thousands):

2026	$ 3,032,307
2027	137,794
2028	61,649
2029	25,484
2030	807
Thereafter	557
Total	$ 3,258,598

Note 8 — Borrowings

The Bank has an advance agreement with the FHLB. At September 30, 2026, the Bank had 31 advances totaling $1.43 billion carrying fixed interest rates ranging between 2.90% and 4.74% with scheduled maturities between two months and 7.4 years. The weighted average rate was 3.79% at September 30, 2026. At December 31, 2025, the Bank had 34 advances totaling $1.42 billion carrying fixed interest rates ranging between 1.04% and 4.84% with scheduled maturities between one month and 8.2 years. The weighted average rate was 3.91% at December 31, 2025.

These advances are collateralized by approximately $3.9 billion and $4.0 billion of mortgage loans (including MPP facilities) and loans held for sale as of September 30, 2026 and December 31, 2025, respectively, under an agreement which calls for specific identification of pledged loans. Putable advances are included in the table below, and there were none utilized as of September 30, 2026 and $10.0 million utilized at December 31, 2025.

At September 30, 2026, the scheduled maturities of the advances are as follows (dollars in thousands):

2026	$ 325,000
2027	325,000
2028	50,000
2029	227,500
2030	100,000
Thereafter	400,000
Total	$ 1,427,500

Note 8 — Borrowings (continued)

On October 2, 2026, the Company prepaid two of its FHLB symmetrical advances totaling $165.0 million at a discount, recognizing a gain on debt extinguishment of $2.7 million.

The Company also utilizes lines of credit and overnight instruments for its short-term borrowing needs. That includes a line of credit included under the FHLB collateral agreement mentioned above, allowing borrowing up to $100.0 million. The interest rate on the line of credit is a floating rate determined by the FHLB (4.30% at September 30, 2026) and the line of credit matures on May 12, 2027. The Bank had no outstanding borrowings on the line of credit at September 30, 2026 and December 31, 2025. Other overnight borrowing lines had no balance at September 30, 2026 and December 31, 2025.

The Company also has a $20.0 million line of credit with another financial institution that it utilizes for holding company liquidity needs. This line had no balance at September 30, 2026 and a $17.0 million balance at December 31, 2025. The line of credit carries a floating rate (7.41% at September 30, 2026 and 7.37% at December 31, 2025), is subject to annual renewal and matures on October 20, 2027.

Note 9 — Subordinated Debentures

On August 22, 2024, the Company issued $25.0 million of subordinated notes due September 1, 2034. The notes become redeemable on September 1, 2029. Interest payments are due on March 1 and September 1 of each year at a fixed rate of 9.00% through September 1, 2029 and convert to a variable rate of three month Secured Overnight Financing Rate (“SOFR”) plus 5.50% with payments due quarterly.

On December 9, 2025, the Company issued $70.0 million of subordinated notes due December 15, 2035. The notes become redeemable on December 15, 2030. Interest payments are due on June 15 and December 15 of each year at a fixed rate of 7.50% through December 15, 2030 and convert to a variable rate of three-month SOFR plus 4.24% with payments due quarterly.

On March 12, 2026, the Company issued $20.0 million of subordinated notes due March 15, 2036. The notes become redeemable on March 15, 2031. Interest payments are due on June 15 and December 15 of each year at a fixed rate of 7.50% through March 15, 2031 and convert to a variable rate of three-month SOFR plus 4.15% with payments due quarterly.

As of September 30, 2026, maturities of subordinated debt were as follows (dollars in thousands):

2034	$	25,000
2035		70,000
2036		20,000
Total		115,000
Less unamortized deferred costs		2,962
Total maturities, net unamortized deferred costs	$	112,038

Note 10 — Issuance of Preferred Stock

On December 30, 2021, the Company issued $25.0 million of 7.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series B (“Series B Preferred Stock”), no par value, with a liquidation preference of $1,000 per share. When, as, and if declared by the board of directors of the Company, dividends will be payable at an annual initial coupon rate of 7.25%, payable quarterly, in arrears. After the fixed rate period, which ends December 30, 2026, dividends, if declared, are payable at a variable rate equal to the three-month SOFR plus 7.00%, reset and payable quarterly, in arrears.

On December 29, 2020, the Company issued $95.0 million of 8.25% Fixed-to-Floating Rate Non- Cumulative Perpetual Preferred Stock, Series A, no par value, with a liquidation preference of $1,000 per share (“Series A Preferred Stock”). When, as, and if declared by the board of directors of the Company, dividends will be payable at an annual initial coupon rate of 8.25%, payable quarterly, in arrears. After the fixed rate period, which would have ended December 30, 2025, dividends, if declared, would be payable at a variable rate equal to the three-month SOFR plus 7.99%, reset and payable quarterly, in arrears.

Note 10 — Issuance of Preferred Stock (continued)

The cash raised by the Company through these issuances of preferred stock was used as a source of capital for the Bank's organic growth and general corporate matters. During 2024, the Company redeemed 13,000 shares of the Series A Preferred Stock for $11.6 million. On March 31, 2025, the Company redeemed an additional 5,000 shares of the Series A Preferred Stock for $4.9 million. On December 30, 2025, the Company redeemed the remaining 77,000 shares of Series A Preferred Stock for $77.0 million.

Note 11 — Off-balance-sheet Activities

Credit-related Financial Instruments

The Company is a party to credit-related financial instruments with off-balance-sheet risk in the ordinary course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit, and commercial letters of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheet.

The Company's exposure to credit loss is represented by the contractual amount of these commitments. The Company follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

At September 30, 2026 and December 31, 2025, the following financial instruments were outstanding whose contract amounts represent credit risk (dollars in thousands):

	Contract Amount	
	September 30, 2026	December 31, 2025
Commitments to grant loans	$ 3,170,103	$ 4,161,523
Unfunded commitments under lines of credit	509,265	371,034

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. The commitments for equity lines of credit may expire without being drawn upon. Therefore, the total commitment amounts do not necessarily represent future cash requirements. The amount of collateral obtained, if it is deemed necessary by the Company, is based on management's credit evaluation of the customer.

Unfunded commitments under lines of credit are commitments for possible future extensions of credit to existing customers. These lines of credit are collateralized and usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

The Company is required to consider expected credit losses associated with unfunded commitments. Any allowance for unfunded commitment credit exposure is reported in other liabilities on the consolidated balance sheets and is increased or decreased through the provision (benefit) for credit losses on the consolidated statement of income. The calculated allowance for unfunded commitments was $254,000 as of September 30, 2026 and $330,000 as of December 31, 2025.

Note 11 — Off-balance-sheet Activities (continued)

Collateral Requirements

To reduce credit risk related to the use of credit-related financial instruments, the Company might deem it necessary to obtain collateral. The amount and nature of the collateral obtained are based on the Company's credit evaluation of the customer. Collateral held varies but may include cash, securities, accounts receivable, inventory, property, plant, and equipment, and real estate.

If the counterparty does not have the right and ability to redeem the collateral or the Company is permitted to sell or re-pledge the collateral on short notice, the Company records the collateral in its consolidated balance sheet at fair value with a corresponding obligation to return it.

Legal Contingencies

Various legal claims also arise from time to time in the ordinary course of business which, in the opinion of management, are not currently expected to have a material effect on the Company's consolidated financial statements.

Note 12 — Employee Benefits

The Company sponsors a 401(K) plan which is available to all employees, on the first of the month following 90 days of employment. Participants in the plan have the option to contribute from 0% to 100% of their annual compensation, up to the IRS allowable limits. FICA taxes must be paid based on total compensation. The Company matches 60% of participant contributions up to 7% of gross pay. The Company's matching contributions were $366,000 and $332,000 for the three months ended September 30, 2026 and 2025, respectively, and were $1.3 million and $1.0 million for the nine months ended September 30, 2026 and 2025, respectively. Participants are immediately 100% vested in salary and rollover contributions and any income or loss thereon. Vesting in the matching contributions is based on years of service. Participants vest in contributions made by the Company 20% after one year of service and another 20% per year until they become fully vested after five years of service. If a participant is not fully vested on their termination date, the non-vested amount is forfeited. Forfeitures are used to reduce company contributions and/or to pay administrative expenses of the plan.

The Company has a self-insured medical insurance plan covering all of its eligible employees. The Company's individual excess risk benefit level per employee was $185,000 (with no aggregate exposure limitation) at September 30, 2026. Losses in excess of the limitation are covered by reinsurance. Amounts expensed by the Company under the plan were approximately $1.5 million and $1.9 million for the three months ended September 30, 2026 and 2025, respectively, and were $4.4 million and $4.6 million for the nine months ended September 30, 2026 and 2025, respectively. These expenses were recorded in salaries and employee benefits on the consolidated statement of income. The Company recorded an accrual of approximately $303,000 and $389,000 at September 30, 2026 and December 31, 2025, respectively, for known claims and estimated claims incurred but not reported, reported in other liabilities on the consolidated balance sheets.

Note 13 — Stock Compensation Plans

The Company has utilized three share based compensation plans, which are described below. The stock option plan and stock appreciation rights plan are both legacy plans which the Company has not, and does not intend to, issue any new shares under following its 2024 issuance.

The Company has a stock option plan for its non-employee directors, executive officers and certain employees under which options may be granted at not less than the fair value of the underlying stock on the date of the grant. These options are subject to a vesting schedule under which one-third vests at each anniversary date of the grant. Under the stock option plan, the Company may grant options to its directors for up to 500,000 shares of common stock and up to 1,000,000 shares of common stock to its executive officers and certain employees. No stock option expense was recorded for the nine months ended September 30, 2026 and 2025.

All options granted expire within 10 years of the date of grant, subject to certain cancellation provisions related to an individual's affiliation with the Company.

Note 13 — Stock Compensation Plans (continued)

The calculated value of each option award is estimated on the date of grant using a Black-Scholes option valuation model that uses the weighted average assumptions. Expected volatilities are based on similar volatilities of comparable banks. The Company uses comparable bank data to estimate option exercise and employee termination within the valuation model. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The last of the options issued under this plan were exercised during the year ended December 31, 2025. There were no stock option grants in the three and nine months ended September 30, 2026 or 2025.

The total intrinsic value of the options exercised during the three and nine months ended September 30, 2025 was $0.

As of September 30, 2026 and 2025, there was no unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the plan.

The Company also has a stock appreciation rights plan for executive officers and certain employees. Stock appreciation rights are primarily granted with a price equal to the market value of common stock on the date of the grant. These awards generally have a five year vesting schedule but may vest early in accordance with accelerated vesting provisions. Compensation expense is recognized over the vesting period of the awards based on the fair value of the stock. For periods prior to the Company's initial public offering, the Bank utilized a third party valuation service for the measurement of fair value of the Company's stock price as provided for in the Employee Stock Ownership Plan Report.

A summary of stock appreciation right awards for the nine months ended September 30, 2026 is as follows:

Stock Appreciation Right Awards	Number of Shares	Weighted Average Exercise Price
Non-vested at January 1, 2026	390,000	$ 11.85
Granted	—	—
Vested	(75,000)	12.40
Forfeited or expired	(25,000)	11.82
Outstanding at September 30, 2026	290,000	$ 11.70

Note 13 — Stock Compensation Plans (continued)

The Company also has a restricted stock award plan which was implemented during 2024, with 4,000,000 shares initially authorized under the plan. Restricted stock awards generally have vesting periods of three years for officers, with vesting at the rate of one-third each year, and one year for directors, which fully vest after the one year. Restricted stock awards granted to the Company's Chief Executive Officer in connection with the Company's initial public offering were assigned a five year vesting period. Restricted stock awards have no other performance conditions required for vesting.

A summary of changes in the Company's nonvested restricted stock awards for the nine months ended September 30, 2026 follows (dollars in thousands for aggregate intrinsic value):

Nonvested Stock Awards	Number of Shares	Weighted Average Grant-Date Fair Value
Outstanding at January 1, 2026	766,690	$14.21
Granted	183,740	17.26
Vested	(104,225)	13.93
Forfeited	(2,500)	15.76
Outstanding at September 30, 2026	843,705	$14.90

Compensation cost related to restricted stock awards totaled $1.4 million and $1.1 million for the three months ended September 30, 2026 and 2025, respectively, and were $3.9 million and $3.4 million for the nine months ended September 30, 2026 and 2025, respectively.

As of September 30, 2026, there was $9.0 million of total remaining compensation cost related to nonvested restricted stock awards granted under the Company's stock-based compensation plans. The cost is expected to be recognized over a weighted-average period of 1.1 years. No restricted stock awards vested during the three months ended September 30, 2026 and 2025. Restricted stock awards totaling 104,225 shares vested during the nine months ended September 30, 2026. Restricted stock awards totaling 49,560 shares vested during the nine months ended September 30, 2025. The intrinsic value of restricted stock awards vested totaled $1.5 million and $679,000 in the nine months ended September 30, 2026 and 2025, respectively.

Note 14 — Income Taxes

The components of the income tax provision are detailed as follows for the dates indicated (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Current income tax expense				
Federal	$ 2,349	$ 6,325	$ 13,738	$ 16,848
State	1,134	1,159	3,342	2,678
Total current income tax expense	3,483	7,484	17,080	19,526
Deferred tax expense (benefit)				
Federal	958	(398)	1,632	(715)
State	205	(85)	349	(153)
Total deferred income tax expense (benefit)	1,163	(483)	1,981	(868)
Total income tax expense	$ 4,646	$ 7,001	$ 19,061	$ 18,658

Note 14 — Income Taxes (Continued)

A reconciliation of taxes on income from the statutory income tax rate to income tax expense is as follows for the periods indicated (dollars in thousands):

	Three Months Ended September 30, 2026		Three Months Ended September 30, 2025	
	Amount	Percent	Amount	Percent
Income tax expense, computed at federal statutory rate of pretax income	$ 3,994	21.00 %	$ 6,127	21.00 %
Discount of purchased tax credits	(608)	(3.20)%	—	— %
State and local income taxes	1,058	5.56 %	848	2.91 %
Effect of nontaxable income and nondeductible expenses	—	— %	20	0.07 %
Other	202	1.06 %	6	0.02 %
Total income tax expense	$ 4,646	24.43 %	$ 7,001	24.00 %

	Nine Months Ended September 30, 2026		Nine Months Ended September 30, 2025	
	Amount	Percent	Amount	Percent
Income tax expense, computed at statutory rate of pretax income	$ 16,241	21.00 %	$ 16,469	21.00 %
Discount of purchased tax credits	(608)	(0.79)%	—	— %
State and local income taxes	2,916	3.77 %	1,994	2.54 %
Effect of nontaxable income and nondeductible expenses	—	— %	59	0.08 %
Other	512	0.66 %	136	0.17 %
Total income tax expense	$ 19,061	24.65 %	$ 18,658	23.79 %

Income taxes paid were as follows for the periods indicated (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
	Amount	Amount	Amount	Amount
Federal	$ 8,394	$ 5,400	$ 11,569	$ 15,600
State and local				
California	871	237	1,111	566
Florida	201	403	776	587
All other states	663	1,174	2,647	4,009
Total income taxes paid	$ 10,129	$ 7,214	$ 16,103	$ 20,762

Note 14 — Income Taxes (Continued)

Deferred tax assets and liabilities consisted of the following as of period end (dollars in thousands):

	September 30, 2026	December 31, 2025
Allowance for credit losses	$ 2,449	$ 2,518
Accrued expenses and other reserve accounts	1,923	1,802
Nonaccrual loan interest	1,269	846
Stock compensation	1,042	509
Other real estate owned valuation	121	31
Unrealized loss on debt securities available for sale	17	45
Other deferred tax assets	52	76
Total deferred tax assets	6,873	5,827
Mortgage servicing rights	7,532	4,030
Fixed assets	3,188	3,273
Goodwill and intangibles	389	472
Deferred loan costs/fees	1,430	1,732
Other deferred tax liabilities	129	106
Total deferred tax liabilities	12,668	9,613
Net deferred tax liability	$ (5,795)	$ (3,786)

The Company and its subsidiaries file consolidated tax returns. The Company accounts for income taxes in accordance with income tax accounting guidance (ASC 740, Income Taxes). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized. Deferred tax assets are included in other assets in the consolidated balance sheets and deferred tax liabilities are included in other liabilities in the consolidated balance sheets.

Uncertain tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than- not recognition threshold considers the facts, circumstances, and information available at the reporting date and is subject to management’s judgment. There were no uncertain tax positions recognized at September 30, 2026 and December 31, 2025.

With a few exceptions, the Company is no longer subject to U.S. federal tax examinations by tax authorities for years before 2023, and state and local income tax examinations by tax authorities for years before 2023. For federal tax purposes, the Company recognizes interest and penalties on income taxes as a component of income tax expense.

Note 14 — Income Taxes (Continued)

During the third quarter of 2026, the Company purchased $7.6 million transferable energy tax credits, which are intended to generate federal investment tax credits and accelerated depreciation benefits from qualified solar energy projects. These investments are accounted for using the proportional amortization method. Under this method, the cost of the investments is amortized in proportion to the income tax credits and other income tax benefits received, with the amortization and tax benefits recognized as a component of income tax expense. Application of these credits and the related purchase discount reduced the Company's federal income tax expense by $608,000 in the three and nine months ended September 30, 2026.

On November 6, 2026, the Company purchased an additional $8.3 million in transferable energy tax credits, which are also intended to generate federal investment tax credits and accelerated depreciation benefits from qualified solar energy projects. These credits will be applied to the Company's federal income tax expense for the three months ended December 31, 2026.

On July 4, 2025, the President signed H.R. 1, the "One Big Beautiful Bill Act," into law. The legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic R&D expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. These changes did not have a material impact on the Company's federal income tax expense or liability for the year ended December 31, 2025 or for the three and nine months ended September 30, 2026. The Company does not expect these changes to have a material impact on future periods.

Note 15 — Minimum Regulatory Capital Requirements

The Company and Bank are subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory — and possibly additional discretionary — actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines, the Company and Bank must meet specific capital guidelines that involve quantitative measures of the Company and the Bank's assets, liabilities, and certain off-balance sheet items as calculated under U.S. GAAP, regulatory reporting requirements and regulatory capital standards. The Company and Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Furthermore, the Company and Bank's regulators could require adjustments to regulatory capital not reflected in the consolidated financial statements.

Quantitative measures established by regulatory capital standards to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the table below) of total capital, Tier 1 capital (as defined), and common equity Tier 1 capital (as defined) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to average total assets (as defined). Additionally, to make distributions or discretionary bonus payments, the Company and Bank must maintain a capital conservation buffer of 2.5% of risk-weighted assets.

Management believes that the Company and the Bank met all capital adequacy requirements to which it is subject at September 30, 2026 and December 31, 2025. As of the latest balance sheet date, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum ratios as set forth in the following table. There are no conditions or events since that notification that management believes have changed the institution's category.

Northpointe Bancshares, Inc.

Note 15 — Minimum Regulatory Capital Requirements (continued)

As of September 30, 2026 (dollars in thousands)	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
CET1 (to risk weighted assets)						
Consolidated	$ 599,008	9.09%	$ 296,399	4.50%	N/A	N/A
Northpointe Bank	721,738	10.96%	296,377	4.50%	$ 428,100	6.50%
Tier 1 Capital (to risk weighted assets)						
Consolidated	628,987	9.55%	395,199	6.00%	N/A	N/A
Northpointe Bank	721,738	10.96%	395,169	6.00%	526,892	8.00%
Total Capital (to risk weighted assets)						
Consolidated	754,231	11.45%	526,931	8.00%	N/A	N/A
Northpointe Bank	731,982	11.11%	526,892	8.00%	658,615	10.00%
Tier 1 capital (to average assets)						
Consolidated	628,987	8.30%	303,083	4.00%	N/A	N/A
Northpointe Bank	721,738	9.53%	303,059	4.00%	378,823	5.00%

As of December 31, 2025 (dollars in thousands)	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
CET1 (to risk weighted assets)						
Consolidated	$ 544,988	9.21%	$ 266,226	4.50%	N/A	N/A
Northpointe Bank	663,255	11.21%	266,213	4.50%	384,530	6.50%
Tier 1 Capital (to risk weighted assets)						
Consolidated	574,967	9.72%	354,968	6.00%	N/A	N/A
Northpointe Bank	663,255	11.21%	354,951	6.00%	473,268	8.00%
Total Capital (to risk weighted assets)						
Consolidated	678,300	11.47%	473,290	8.00%	N/A	N/A
Northpointe Bank	671,588	11.35%	473,268	8.00%	591,585	10.00%
Tier 1 capital (to average assets)						
Consolidated	574,967	8.24%	279,168	4.00%	N/A	N/A
Northpointe Bank	663,255	9.50%	279,158	4.00%	348,947	5.00%

Note 16 — Restrictions on Dividends, Loans, and Advances

Banking regulations place certain restrictions on dividends paid and loans or advances made by the Bank to the Company. The total amount of dividends which may be paid at any date is generally limited to the retained earnings of the Bank. However, dividends paid by the Bank would be prohibited if the effect thereof would cause the Bank's capital to be reduced below applicable minimum standards without prior approval from the bank regulators.

Note 17 — Fair Value Measurements

Accounting standards define fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets that we have the ability to access as of the measurement date.

Level 2: Valuation is based upon significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be derived from or corroborated by observable market data by correlation or other means.

Level 3: Valuation is based upon significant unobservable inputs that reflect our own conclusions about the assumptions that market participants would use in pricing an asset or liability.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Company records the fair values of financial assets and liabilities on a recurring and non-recurring basis using the following methods and assumptions:

Equity Securities

Equity securities with readily determinable fair value are reported at fair value. Fair value for these investments is primarily determined using a quoted price in an active market or exchange (Level 1).

Available for Sale Debt Securities

Where quoted market prices are available in an active market, securities are classified as Level 1 of the valuation hierarchy. The Company does not currently have any Level 1 debt securities. If quoted prices are not available, fair values can be estimated using (1) quoted market prices of securities with similar characteristics, (2) matrix pricing, which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted prices for specific securities but rather by relying on the securities' relationship to other benchmark quoted prices, or (3) a discounted cash flow analysis whose significant fair value inputs can generally be verified and do not typically involve judgment by management. Included in the Company's available for sale debt securities are corporate bonds which are classified as Level 2 assets. The valuation of these corporate bonds is determined using third-party quoted market prices of securities with similar characteristics.

Note 17 — Fair Value Measurements (continued)

Loans

Certain loans held for sale and HFI are measured at fair value on a recurring basis due to the Company's election to adopt fair value accounting treatment for those loans originated for which the Company has entered into certain derivative financial instruments as part of its mortgage banking and related risk management activities. These instruments include interest rate lock commitments and mandatory forward commitments to sell these loans to investors known as forward mortgage-backed securities trades. This election allows for a more effective offset of the changes in fair values of the assets and the mortgage related derivative instruments used to economically hedge them without the burden of complying with the requirements for hedge accounting under ASC 815, Derivatives and Hedging. Mortgage loans held for sale, for which the fair value option was elected, are valued using a market approach by utilizing either: (i) the fair value of securities backed by similar mortgage loans, adjusted for certain factors to approximate the fair value of a whole mortgage loan, including the value attributable to mortgage servicing and credit risk, (ii) current commitments to purchase loans or (iii) recent observable market trades for similar loans, adjusted to credit risk and other individual loan characteristics. As these prices are derived from market observable inputs, the Company classifies these valuations as Level 2 in the fair value disclosures. For mortgage loans held for sale for which the fair value option was elected, the earned current contractual interest payment is recognized in interest income, loan origination costs and fees on fair value option loans are recognized in earnings as incurred and not deferred. The Company has no continuing involvement in any residential mortgage loans sold.

Loans HFI that are measured at fair value are those that initially were intended for sale and then transferred to portfolio. At September 30, 2026, these loans had an aggregate unpaid principal balance of $183.9 million and aggregate fair value of $151.5 million. At December 31, 2025, these loans had an aggregate unpaid principal balance of $202.6 million and aggregate fair value of $178.6 million.

At September 30, 2026 and December 31, 2025, the fair value option was applied to loans that had been transferred from held for sale to portfolio and also to mortgage loans held for sale. The fair value adjustments are reflected in net gain on sale of loans on the Company's consolidated statements of income.

The table below shows the income statement impact for these fair value adjustments for the three and nine months ended September 30, 2026 and 2025:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(Dollars in thousands)	2026	2025	2026	2025
Loans	$ (7,727)	$ 682	$ (8,442)	$ 4,865
Loans held for sale	(5,051)	44	(5,154)	3,878

Loans reported at fair value which were over 90 days past due amounted to $235,000 and $1.6 million in unpaid principal balance with a fair values of $183,000 and $1.4 million as of September 30, 2026 and December 31, 2025, respectively. The accrual of interest on loans is discontinued at the time the loan is delinquent (120 days for mortgages). Non-accrual loans reported at fair value amounted to $12.7 million in unpaid principal balance and $10.4 million in fair value as of September 30, 2026. Non-accrual loans reported at fair value amounted to $10.4 million in unpaid principal balance and $9.1 million in fair value as of December 31, 2025.

Interest Rate Lock Commitments

The estimated fair values of interest rate lock commitments utilize current secondary market prices for underlying loans and estimated servicing value with similar coupons, maturity and credit quality, subject to the anticipated loan funding probability (pull-through rate). The fair value of interest rate lock commitments is subject to change primarily due to changes in interest rates and the estimated pull-through rate. Given the significant and unobservable nature of the pull-through factor, interest rate lock commitments are classified as Level 3.

Forward Sales Commitments

Forward mortgage-backed securities trades are exchange-traded or traded within highly active dealer markets. In order to determine the fair value of these instruments, the Company utilized the exchange price or dealer market price for the particular derivative contract; therefore these contracts are classified as Level 2. The estimated fair values are subject to change primarily due to changes in interest rates.

Note 17 — Fair Value Measurements (continued)

Mortgage Service Rights ("MSRs")

MSRs are carried at fair value. Fair value is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, servicing costs, and other factors. As such, MSRs are considered Level 3.

Lender Risk Account

The Company's Lender risk account is carried at fair value. Fair value is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, and other factors. As such, the lender risk account is considered Level 3.

Collateral Dependent Loans and Other Real Estate Owned

The fair value of collateral for collateral dependent loans and other real estate owned is generally based upon recent real estate appraisals, less costs to sell. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and the income approach. As such, the fair values of collateral dependent loans and other real estate owned are classified as Level 3.

The following tables present information about the Company's assets measured at fair value on a recurring basis at September 30, 2026 and December 31, 2025 and the valuation techniques used by the Company to determine those fair values (dollars in thousands):

	Fair Value on a Recurring Basis at September 30, 2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets:				
Equity securities	$ 1,283	$ —	$ —	$ 1,283
Available for sale debt securities	—	4,858	—	4,858
Mortgage banking assets:				
Loans held for sale	—	173,047	—	173,047
Loans held for investment	—	151,455	—	151,455
Interest rate lock commitments	—	—	1,928	1,928
Forward sales commitments	—	1,775	—	1,775
Mortgage servicing rights	—	—	31,040	31,040
Lender risk account	—	—	27,350	27,350
Total	$ 1,283	$ 331,135	$ 60,318	$ 392,736
Financial Liabilities:				
Interest rate lock commitments	—	—	80	80
Forward sales commitments	—	69	—	69
Total	$ —	$ 69	$ 80	$ 149

Note 17 — Fair Value Measurements (continued)

	Fair Value on a Recurring Basis at December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial Assets:				
Equity securities	$ 1,347	$ —	$ —	$ 1,347
Available for sale debt securities	—	4,738	—	4,738
Mortgage banking assets:				
Loans held for sale	—	309,213	—	309,213
Loans held for investment	—	178,578	—	178,578
Interest rate lock commitments	—	—	2,712	2,712
Forward sales commitments	—	52	—	52
Mortgage servicing rights	—	—	17,048	17,048
Lender risk account	—	—	30,446	30,446
Total	$ 1,347	$ 492,581	$ 50,206	$ 544,134
Financial Liabilities:				
Interest rate lock commitments	—	—	6	6
Forward sales commitments	—	590	—	590
Total	$ —	$ 590	$ 6	$ 596

The Company's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event of change in circumstances that caused the transfer. On June 30, 2025, the Company transferred debt securities available for sale from Level 3 to Level 2 of the fair value hierarchy. As a result, debt securities totaling $8.8 million (based on fair value) were reclassified from Level 3 to Level 2 as of June 30, 2025. These securities were previously classified as Level 3, but were moved to Level 2 after further review. The move from Level 3 to Level 2 did not impact the fair value measurement, only the classification of input used to determine that fair value.

Changes in mortgage servicing rights as well as the related weighted average unobservable inputs are included in Note 5.

The following table presents a reconciliation of the Level 3 available for sale debt securities measured at fair value on a recurring basis for the three and nine months ended September 30, 2026 and 2025 (dollars in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Balance at beginning of period	$ —	$ —	$ —	$ 8,576
Unrealized	—	—	—	209
Transfer to Level 2	—	—	—	(8,785)
Balance at end of period	$ —	$ —	$ —	$ —

Note 17 — Fair Value Measurements (continued)

The following table presents a reconciliation of the Level 3 interest rate lock commitments measured at fair value on a recurring basis for the three and nine months ended September 30, 2026 and 2025 (dollars in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Balance at beginning of period	$ 3,646	$ 4,312	$ 2,706	$ 2,047
Change in fair value	(1,798)	(784)	(858)	1,481
Balance at end of period	$ 1,848	$ 3,528	$ 1,848	$ 3,528

The following is a summary of the key unobservable inputs used in the valuation of the Level 3 interest rate lock commitments:

	September 30,	
	2026	2025
Pull-through rate	95.9 %	83.1 %

The following table presents a reconciliation of the Level 3 lender risk account measured at fair value on a recurring basis for the three and nine months ended September 30, 2026 and 2025 (dollars in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Beginning of period	$ 29,343	$ 28,816	$ 30,446	$ 28,436
Due to loan sales	286	233	881	957
Releases and claims paid to the Company	(721)	(482)	(2,571)	(2,152)
Change in fair value recognized in gain on sale of loans	(1,558)	1,548	(1,406)	2,874
End of period	$ 27,350	$ 30,115	$ 27,350	$ 30,115

Both observable and unobservable inputs may be used to determine the fair value of the LRA, which is classified as a Level 3 asset. As a result, the unrealized gains for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

The Company estimates the fair value of the lender risk account using management's best estimate of key assumptions. These assumptions include prepayment rates, discount rates, and projected annual losses on unpaid principal of the sold loan portfolio. The weighted average of unobservable inputs for these valuation assumptions is as follows as of the dates indicated (dollars in thousands):

Note 17 — Fair Value Measurements (continued)

	Fair Value	Valuation Technique	Unobservable Inputs	Range of Inputs	Weighted Average
Assets:					
September 30, 2026					
Lender Risk Account	$ 27,350	Present value of	Credit losses	—% - 0.23%	0.10 %
		cash flows	Prepayment rates	11.99 %	11.99 %
			Discount rates	5.71% - 7.51%	6.03 %
December 31, 2025					
Lender Risk Account	$ 30,446	Present value of	Credit losses	—% - 0.17%	0.05 %
		cash flows	Prepayment rates	17.43 %	17.43 %
			Discount rates	5.05% - 6.57%	5.80 %

The Company also has assets that under certain conditions are subject to measurement at fair value on a nonrecurring basis. These assets include individually evaluated loans and other real estate which are periodically reviewed for impairment and measured at fair value if the fair value of the asset is below the recorded book value. The Company has estimated the fair values of these assets based primarily on Level 3 inputs as described above.

The following asset classes were measured at fair value on the accompanying consolidated balance sheets as of the dates indicated due to declines in the fair value. Certain individually evaluated loans and other real estate carried at original cost, which exceeds fair value, have been omitted from the disclosure below (dollars in thousands):

	Assets Measured at Fair Value on a Nonrecurring Basis at September 30, 2026			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2026
Individually evaluated loans	—	—	$ 3,660	$ 3,660
Other real estate owned	—	—	1,908	1,908

	Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2025
Individually evaluated loans	—	—	$ 3,345	$ 3,345
Other real estate owned	—	—	991	991

Note 17 — Fair Value Measurements (continued)

The following presents estimated fair values of the Company's financial instruments, not previously presented, and the level within the fair value hierarchy in which fair value measurements falls as of the dates indicated (dollars in thousands):

		September 30, 2026	
	Fair Value Hierarchy	Carrying Value	Fair Value
Financial Assets:			
Cash and cash equivalents	Level 1	$ 489,901	$ 489,901
FHLB stock	Level 2	77,207	77,207
Loans, net	Level 2	6,618,113	6,564,100
Interest receivable	Level 2	32,127	32,127
Total		7,217,348	7,163,335
Financial Liabilities:			
Deposits	Level 2	5,443,759	5,202,637
Borrowings	Level 2	1,427,500	1,394,856
Subordinated debentures	Level 2	112,038	112,038
Subordinated debentures issued through trusts	Level 2	5,000	5,000
Interest payable	Level 2	18,600	18,600
Total		7,006,897	6,733,131

		December 31, 2025	
	Fair Value Hierarchy	Carrying Value	Fair Value
Financial Assets:			
Cash and cash equivalents	Level 1	$ 496,459	$ 496,459
FHLB stock	Level 2	80,109	80,109
Loans, net	Level 2	5,829,169	5,791,584
Interest receivable	Level 2	28,353	28,353
Total		6,434,090	6,396,505
Financial Liabilities:			
Deposits	Level 2	4,869,667	4,858,176
Borrowings	Level 2	1,439,500	1,426,415
Subordinated debentures	Level 2	91,915	91,915
Subordinated debentures issued through trusts	Level 2	5,000	5,000
Interest payable	Level 2	16,628	16,628
Total		6,422,710	6,398,134

Note 18 — Related Parties

There was no loan activity with principal officers, directors, and their affiliates during the three and nine months ended September 30, 2026 and no outstanding loan balances at September 30, 2026 or December 31, 2025.

Deposits from principal officers, directors, and their affiliates were $6.9 million at September 30, 2026 and $5.9 million at December 31, 2025.

Note 19 — Earnings Per Share

The following table presents the computation of basic and diluted earnings per share for the periods presented below (dollars in thousands except per share data):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Earnings per common share:				
Net income	$ 14,375	$ 22,173	$ 58,276	$ 59,766
Preferred stock dividends	453	2,041	1,359	6,544
Net income available to common stockholders	$ 13,922	$ 20,132	$ 56,917	$ 53,222
Weighted average common shares	34,740,412	34,602,289	34,727,830	33,006,655
Basic earnings per common share	$ 0.40	$ 0.58	$ 1.64	$ 1.61
Dilutive earnings per common share:				
Net income available to common stockholders	$ 13,922	$ 20,132	$ 56,917	$ 53,222
Weighted average common shares	34,740,412	34,602,289	34,727,830	33,006,655
Effect of dilutive shares	685,035	734,847	640,467	661,661
Weighted average dilutive common shares	35,425,447	35,337,136	35,368,297	33,668,316
Dilutive earnings per common share	$ 0.39	$ 0.57	$ 1.61	$ 1.58

Note 20 — Segment Information

Our reportable segments are Retail Banking and MPP, which have been determined based on management's focus and internal reporting structure. The MPP segment provides a collateralized mortgage purchase facility marketed to independent mortgage bankers nationwide. The Retail Banking segment provides a vast array of financial products and services to consumers nationwide. These include residential mortgages, AIO equity loans, other consumer loans, and loan servicing, as well as various types of deposit products, including checking, savings and time deposit accounts. The residential mortgage loans we originate are directly originated within our branch network or from our consumer direct business, and are typically underwritten to agency and/or third-party standards, and either sold (servicing retained or released) or held on our balance sheet.

Net interest income in each segment reflects our internal funds transfer pricing ("FTP") methodology, which is designed to capture interest rate and liquidity risk. Under our methodology, average assets, net of deposits, receive a funding charge based on market interest rates of similar duration liabilities. MPP receives an FTP charge and the residual gain is retained within Retail Banking.

Provision (benefit) for credit losses is allocated to MPP based on the cumulative expected loss rate from the Company's allowance for credit loss process and applied to any change in period end loan balances.

Note 20 — Segment Information (continued)

Financial results are presented, to the extent possible, as if each business operated on a standalone basis, and includes expense allocations for corporate overhead services used by the business segments. Shared corporate overhead expenses reside in Retail Banking but are allocated back to MPP through our expense allocation based on occupancy rates and percentage of time spent supporting the segment.

Results of the Company's operating segments are regularly reviewed by the Company's Chief Operating Decision Maker (the "CODM"), the Company's Chief Executive Officer. More specifically, the CODM analyzes quarterly financial results, including net income, to assess performance and allocate resources. However, the CODM may use other metrics and ad hoc reports on a limited purpose basis as needed.

In evaluating segment performance, the Company primarily evaluates total revenues (net interest income plus noninterest income) and net income before preferred dividends.

The following tables present the operating segment results for the periods presented below (dollars in thousands):

	As of or for the Three Months Ended September 30,					
	2026			2025		
(Dollars in thousands)	Retail Banking	MPP	Total	Retail Banking	MPP	Total
Interest income	$ 46,050	$ 64,715	$ 110,765	$ 48,766	$ 53,070	$ 101,836
Interest expense	(67,110)	—	(67,110)	(61,505)	—	(61,505)
Funds transfer pricing	43,125	(43,125)	—	34,924	(34,924)	—
Net interest income	**22,065**	**21,590**	**43,655**	**22,185**	**18,146**	**40,331**
Provision (benefit) for credit losses	740	105	845	639	189	828
Net income after provision	**21,325**	**21,485**	**42,810**	**21,546**	**17,957**	**39,503**
Noninterest income [1]	10,074	2,188	12,262	22,572	1,457	24,029
Salaries and employee benefits	(19,260)	(2,649)	(21,909)	(22,421)	(1,915)	(24,336)
Occupancy and equipment	(710)	(16)	(726)	(790)	(21)	(811)
Other noninterest expense [2]	(13,186)	(230)	(13,416)	(9,063)	(148)	(9,211)
Noninterest expense	(33,156)	(2,895)	(36,051)	(32,274)	(2,084)	(34,358)
Expense allocation [3]	1,098	(1,098)	—	1,491	(1,491)	—
Net income (loss) before taxes	**(659)**	**19,680**	**19,021**	**13,335**	**15,839**	**29,174**
Income tax expense	176	(4,822)	(4,646)	(3,252)	(3,749)	(7,001)
Net income (loss) before preferred dividends	**$ (483)**	**$ 14,858**	**$ 14,375**	**$ 10,083**	**$ 12,090**	**$ 22,173**
Average balance sheet assets	$ 3,484,908	$ 4,092,981	$ 7,577,889	$ 3,609,896	$ 2,964,970	$ 6,574,866
Period end assets	$ 3,465,965	$ 4,200,647	$ 7,666,612	$ 3,474,694	$ 3,364,886	$ 6,839,580

(1) Noninterest income for MPP only includes MPP related fees. All other noninterest income is reflected in Retail Banking.
(2) Includes data processing, professional services, office supplies and other miscellaneous expenses.
(3) Reflects corporate overhead expense allocations used by both business segments; primarily consisting of corporate administration, finance, technology, human resources, risk, marketing and occupancy related allocations.

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Note 20 — Segment Information (continued)

	As of or for the Nine Months Ended September 30,					
	2026			2025		
(Dollars in thousands)	Retail Banking	MPP	Total	Retail Banking	MPP	Total
Interest income	$ 137,791	$ 181,516	$ 319,307	$ 144,203	$ 129,876	$ 274,079
Interest expense	(191,956)	—	(191,956)	(166,839)	—	(166,839)
Funds transfer pricing	116,665	(116,665)	—	85,710	(85,710)	—
Net interest income	**62,500**	**64,851**	**127,351**	**63,074**	**44,166**	**107,240**
Provision (benefit) for credit losses	300	310	610	2,044	662	2,706
Net income after provision	**62,200**	**64,541**	**126,741**	**61,030**	**43,504**	**104,534**
Noninterest income [1]	49,836	6,465	56,301	65,388	3,952	69,340
Salaries and employee benefits	(63,374)	(7,914)	(71,288)	(61,834)	(5,178)	(67,012)
Occupancy and equipment	(2,240)	(51)	(2,291)	(2,641)	(60)	(2,701)
Other noninterest expense [2]	(31,488)	(638)	(32,126)	(25,257)	(480)	(25,737)
Noninterest expense	(97,102)	(8,603)	(105,705)	(89,732)	(5,718)	(95,450)
Expense allocation [3]	4,047	(4,047)	—	3,964	(3,964)	—
Net income before taxes	**18,981**	**58,356**	**77,337**	**40,650**	**37,774**	**78,424**
Income tax expense	(4,678)	(14,383)	(19,061)	(9,717)	(8,941)	(18,658)
Net income before preferred dividends	**$ 14,303**	**$ 43,973**	**$ 58,276**	**$ 30,933**	**$ 28,833**	**$ 59,766**
Average balance sheet assets	$ 3,544,554	$ 3,796,368	$ 7,340,922	$ 3,575,710	$ 2,439,842	$ 6,015,552
Period end assets	$ 3,465,965	$ 4,200,647	$ 7,666,612	$ 3,474,694	$ 3,364,886	$ 6,839,580

(1) Noninterest income for MPP only includes MPP related fees. All other noninterest income is reflected in Retail Banking.
(2) Includes data processing, professional services, office supplies and other miscellaneous expenses.
(3) Reflects corporate overhead expense allocations used by both business segments; primarily consisting of corporate administration, finance, technology, human resources, risk, marketing and occupancy related allocations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The following section presents additional information and highlights significant changes in the financial condition of Northpointe Bancshares, Inc. (the "Company") and our wholly owned subsidiary, Northpointe Bank (the "Bank"), from December 31, 2025 through September 30, 2026, and on our results of operations for the three and nine months ended September 30, 2026 and 2025. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. This discussion and analysis contains forward-looking statements that involve risk, uncertainties and assumptions. Certain risks, uncertainties and other factors, including but not limited to those set forth under "Cautionary Note Regarding Forward-Looking Statements," "Risk Factors," and elsewhere in this Quarterly Report on Form 10-Q, may cause actual results to differ materially from those projected in the forward looking statements. We assume no obligation to update any of these forward-looking statements.

Business Overview

We are a bank holding company headquartered in Grand Rapids, Michigan. Our common stock is traded on the New York Stock Exchange under the ticker symbol NPB. Through our Bank, we focus on (1) providing a best-in-class platform for independent mortgage bankers nationwide to utilize as an alternative to traditional mortgage warehouse lending (we refer to this business as our Mortgage Purchase Program, or "MPP") and (2) offering attractive products and services to our residential mortgage and digital banking retail customers.

Our residential lending business provides a comprehensive range of financing options nationwide through two main channels: consumer direct and traditional retail. We are a nationwide mortgage lender, with 105 mortgage originators across 27 states. These channels combine the convenience of online, self-service platforms with the personalized service of an experienced residential mortgage loan officer. Both residential mortgage loan origination channels are supported by our proprietary point-of-service digital platform that streamlines the loan application and closing processes. Our consumer direct and traditional retail channels primarily originate mortgage loans which are saleable through an end investor. In addition, our traditional retail channel selectively originates first-lien home equity lines which are tied seamlessly to a demand deposit sweep account (we refer to the loans we originate as "All-in-One" or "AIO" loans). At September 30, 2026 we had one bank branch located in Grand Rapids, Michigan and physical loan production offices located in 24 cities in 14 states across the country, which are supported by our centralized operations and back-office support teams based in Grand Rapids, Michigan.

Our results of operations are driven by a combination of net interest income, which is the difference between interest income from interest-earning assets and interest expense on interest-bearing liabilities, as well as fee income from a variety of sources. Key components of noninterest income include gains from the sale of loans, loan servicing fees, MPP fees, service charges from our deposit services, and other fees. Our principal operating expense, aside from interest expense, consists of salaries and employee benefits, including commissions paid to loan originators, occupancy and equipment costs, data processing expense, professional fees, and provisions for credit losses. Our income is affected by regulatory, economic, and competitive factors that influence interest rates, residential loan demand and deposits costs. In addition, we are subject to interest rate risk to the degree that our interest-earning assets mature or reprice at different times or at different speeds than our interest-bearing liabilities.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and follow general practices within the banking industry. Application of these principles requires management to make estimates, assumptions and complex judgments that affect amounts presented in our consolidated financial statements. These estimates, assumptions and judgments are based on information available as of the date of the financial statements; accordingly, as this information changes, the consolidated financial statements could reflect different estimates, assumptions, and judgments.

Our accounting and reporting policies are in accordance with GAAP and conform to general practices within the banking industry. Accounting and reporting policies for the allowance for credit losses ("ACL"), the lender risk account ("LRA") for loans we have sold to the Federal Home Loan Bank of Indianapolis ("FHLB"), and the capitalized mortgage loan servicing rights ("MSR") are deemed critical since they involve the use of estimates and require significant management judgments. Application of assumptions different than those that we have used could result in material changes in our financial position or results of operations.

Our methodology for determining the ACL and related provision for credit losses is described later in this section under "Provision for Credit Losses" and "Loan Portfolio". In particular, this area of accounting requires a significant amount of judgment because a multitude of factors can influence the ultimate collection of a loan or other type of credit. It is extremely difficult to precisely measure the amount of expected credit losses in our loans held for investment ("HFI") portfolio. We use a rigorous process to attempt to estimate the necessary ACL and related provision for credit losses, but there can be no assurance that our modeling process will successfully identify all of the expected credit losses in our loan portfolio. The assumptions around establishing reasonable and supportable economic forecasts are particularly subjective. We believe the assumptions we utilize in estimating our ACL are reasonable based upon accepted industry practices and represent neither the most conservative nor aggressive assumptions.

We have established an LRA for loans sold to the FHLB. The LRA is initially funded through a reduction in the purchase price of 1.20% of the loan balance, maintained by the FHLB and is used to offset credit losses over the life of the loans sold to the FHLB. If the LRA has not been depleted by losses, funds are returned to the Company over time, beginning after five years and continuing through 25 years. We carry the asset at estimated fair value. The fair value of the LRA is determined based on a valuation model used by an independent third party, which is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, expected loss rates and other factors. These assumptions are particularly subjective and can have a material effect on the estimated LRA balance and income. We believe the assumptions that we utilize in estimating fair value are reasonable based upon accepted industry practices and represent neither the most conservative nor aggressive assumptions.

We establish MSR assets when we sell loans with servicing retained and when we purchase mortgage servicing. MSRs are measured at fair value, with new capitalization reported in net gain on sale of loans and any subsequent changes reported in loan servicing fees. The fair value of our MSRs are determined based on a valuation model used by an independent third party. There are several critical assumptions involved in establishing the value of this asset including estimated future prepayment speeds on the underlying mortgage loans, the interest rate used to discount the net cash flows from the mortgage loan servicing, the estimated amount of ancillary income that will be received in the future (such as late fees) and the estimated cost to service the mortgage loans. These assumptions are particularly subjective and can have a material effect on the estimated MSR balances and income. We believe the assumptions that we utilize in our valuation are reasonable based upon accepted industry practices for valuing mortgage loan servicing rights and represent neither the most conservative nor aggressive assumptions.

Emerging Growth Company

Pursuant to the JOBS Act, as an emerging growth company, we can elect to opt out of the extended transition period for adopting any new or revised accounting standards. We have elected to take advantage of the extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we may adopt the standard on the application date for private companies. We have elected to take advantage of the scaled disclosures and other relief under the JOBS Act, and we may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us under the JOBS Act, so long as we qualify as an emerging growth company.

Recent Developments

On October 20, 2026, the Company announced its plans to sell the distributed retail and consumer direct mortgage origination channels (the "Mortgage Origination Channels") and on October 26, 2026 entered into a definitive agreement with CMG Mortgage Inc. and its affiliates ("CMG"). Under the agreement, CMG will pay the Company 15 basis points on any first-lien mortgage originations closed through the Company's Mortgage Origination Channels until December 31, 2028. The agreement contains customary closing conditions, representation and warranties, covenants, and termination rights and the transaction is expected to be completed by November 30, 2026.

The Company currently estimates restructuring charges of between $6 million and $7 million, with the majority realized during the fourth quarter of 2026, and annualized expense savings of between $50 million and $55 million related to the transaction. Loans currently in process will continue to be closed, and the Company will provide support to the affected team members. Actual restructuring charges and expense savings may differ materially from these estimates. See "Cautionary Note Regarding Forward-Looking Statements."

The sale of the Mortgage Origination Channels is expected to have a material impact on future net gain on sale of loans, interest earned on loans held for sale, salaries and benefits expense including mortgage production variable compensation, and other components of non-interest expense. As a result, our historical results of operations, including the results of our Retail Banking segment, may not be indicative of future results. Following the transaction, we expect to continue to focus on growth in our MPP business, relationship-based deposits and opportunistic balance sheet acquisitions.

On October 2, 2026, the Company prepaid $165.0 million of FHLB advances at a discount, recognizing a gain on debt extinguishment of $2.7 million in the fourth quarter of 2026.

On October 26, 2026, the Company announced that its Board of Directors authorized a common stock repurchase program of up to $30 million, which will expire on October 22, 2027. On October 2, 2026, the Company prepaid $165.0 million of FHLB advances at a discount, recognizing a gain on debt extinguishment of $2.7 million in the fourth quarter of 2026.

On July 4, 2025, “An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14,” more commonly referred to as the “One Big Beautiful Bill Act” (“OBBBA”) was signed into law. OBBBA enacted broad changes to the domestic and international taxation arena by extending many expiring Tax Cuts and Jobs Act tax provisions among other individual and business tax relief measures, along with funding national defense and border security, cutting certain federal spending programs, phasing out certain renewable energy credits created by the Inflation Reduction Act, and raising the national debt ceiling, among other things. These changes did not have a material impact on our federal income tax expense or liability for the year ended December 31, 2025 or for the three and nine months ended September 30, 2026. We do not expect these changes to have a material impact on future periods.

Highlights of the Third Quarter of 2026

- Net income available to common stockholders was $13.9 million for the three months ended September 30, 2026, a decrease of $6.2 million, or 30.8%, from $20.1 million for the three months ended September 30, 2025.
- Earnings per diluted common share was $0.39 for the three months ended September 30, 2026, compared to $0.57 for the three months ended September 30, 2025.
- Third quarter of 2026 results were impacted by two notable items:
  - $9.3 million combined decrease in fair value of loans held for investment (“HFI”) and lender risk account (“LRA”), partially offset by $5.0 million increase in fair value of mortgage servicing rights (“MSRs”), driven by an increase in market interest rates.
  - $3.1 million in operational losses within noninterest expense resulting from an external deposit fraud incident within the retail banking center.
- Net interest income before provision for credit losses was $43.7 million for the three months ended September 30, 2026, an increase of $3.3 million, or 8.2%, from the three months ended September 30, 2025, reflecting strong growth in MPP and AIO loans partially offset by a 15 basis point decrease in net interest margin.
- Noninterest income was $12.3 million for the three months ended September 30, 2026, a decrease of $11.8 million from the three months ended September 30, 2025, due to lower net gain on sale of loans, partially offset by higher loan servicing fees.
- Noninterest expense was $36.1 million for the three months ended September 30, 2026, an increase of $1.7 million from the three months ended September 30, 2025, driven primarily by the external deposit fraud loss mentioned above, partially offset by lower salaries and benefits expense.
- Reduced current period income tax expense by $608,000 through purchase of transferable energy investment tax credits.
- Continued growth in the balance sheet, including:
  - MPP balances increased by $775.7 million at September 30, 2026 compared to December 31, 2025.
  - AIO loans increased by $165.0 million at September 30, 2026 compared to December 31, 2025, including the purchase of $85.4 million in seasoned AIO loans on September 30, 2026 ($69.9 million net of purchase discount).
  - Total deposits increased by $574.1 million at September 30, 2026 compared to December 31, 2025, driven primarily by higher levels of interest-bearing demand deposits, attributable to the growth in the Company’s diversified digital deposit banking platform and new deposit relationships, and brokered CDs.

- Wholesale funding ratio decreased and liquidity remained stable, with total cash and cash equivalents of $489.9 million at September 30, 2026, as compared to $496.5 million at December 31, 2025.
- As of September 30, 2026, our capital ratios were above all regulatory requirements to be considered well-capitalized.

Results of Operations

Net Interest Income

The following table presents average balance sheet information, interest income, interest expense and the corresponding average yield earned and rates paid for the three months ended September 30, 2026 and 2025:

	For the Three Months Ended September 30,					
	2026			2025		
(Dollars in thousands)	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest-Earning Assets						
Loans[1][2]	$ 6,856,369	$ 104,078	6.02%	$ 5,835,496	$ 94,044	6.39%
Securities, AFS[3]	6,213	82	5.24%	7,116	87	4.85%
Securities, FHLB Stock	76,496	1,779	9.23%	78,621	1,605	8.10%
Interest bearing deposits	519,110	4,826	3.69%	549,657	6,100	4.40%
Total earning assets	7,458,188	110,765	5.89%	6,470,890	101,836	6.24%
Noninterest earning assets[4]	119,701			103,976		
Total assets	$ 7,577,889			$ 6,574,866		
Interest-Bearing Liabilities						
Deposits:						
Transaction Accounts	$ 1,429,225	$ 14,430	4.01%	$ 1,009,709	$ 11,246	4.42%
Money market & savings	426,465	3,610	3.36%	325,660	3,143	3.83%
Time	3,163,595	32,375	4.06%	3,063,371	33,780	4.37%
Total interest-bearing deposits	5,019,285	50,415	3.98%	4,398,740	48,169	4.34%
Sub debt	111,984	2,420	8.57%	29,189	679	9.23%
Borrowings	1,434,141	14,275	3.95%	1,245,949	12,657	4.03%
Total interest-bearing liabilities	6,565,410	67,110	4.06%	5,673,878	61,505	4.30%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	319,378			234,252		
Other noninterest-bearing liabilities	66,446			48,425		
Total noninterest-bearing liabilities	385,824			282,677		
Equity	626,655			618,311		
	$ 7,577,889			$ 6,574,866		
Net interest spread[5]			1.84%			1.94%
Net interest margin[6]		$ 43,655	2.32%		$ 40,331	2.47%

(1) Loan balances include loans HFI and held for sale. Nonaccrual loans are included in total loan balances and no adjustment has been made for these loans in the yield calculation. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.

(2) Net loan fees of $50,000 and $44,000 for the three months ended September 30, 2026 and 2025, respectively, are included in interest income.

(3) Average yield based on carrying value and there are no tax-exempt securities in the portfolio.

(4) Noninterest earning assets include the allowance for credit losses.

(5) Net interest spread is the average yield on total interest-earning assets minus the average rate on total interest-bearing liabilities.

(6) Net interest margin is annualized net interest income divided by total average interest-earning assets.

The following table presents average balance sheet information, interest income, interest expense and the corresponding average yield earned and rates paid for the nine months ended September 30, 2026 and 2025:

	For the Nine Months Ended September 30,					
	2026			2025		
(Dollars in thousands)	Average Balance	Interest Inc/Exp	Average Yield/Rate	Average Balance	Interest Inc/Exp	Average Yield/Rate
Interest-Earning Assets						
Loans[1][2]	$ 6,608,266	$ 299,118	6.05%	$ 5,327,769	$ 252,376	6.33%
Securities, AFS[3]	6,177	199	4.31%	8,970	399	5.95%
Securities, FHLB Stock	77,676	5,305	9.13%	72,623	4,786	8.81%
Interest bearing deposits	533,553	14,685	3.68%	500,241	16,518	4.41%
Total earning assets	7,225,672	319,307	5.91%	5,909,603	274,079	6.20%
Noninterest earning assets[4]	115,250			105,949		
Total assets	$ 7,340,922			$ 6,015,552		
Interest-Bearing Liabilities						
Deposits:						
Transaction Accounts	$ 1,269,568	$ 37,788	3.98%	$ 839,210	$ 27,630	4.40%
Money market & savings	483,737	12,411	3.43%	329,685	9,506	3.86%
Time	3,080,742	92,386	4.01%	2,743,269	90,925	4.43%
Total interest-bearing deposits	4,834,047	142,585	3.94%	3,912,164	128,061	4.38%
Sub debt	106,875	7,041	8.81%	29,166	2,244	10.29%
Borrowings	1,430,508	42,330	3.96%	1,235,247	36,534	3.95%
Total interest-bearing liabilities	6,371,430	191,956	4.03%	5,176,577	166,839	4.31%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	304,684			214,521		
Other noninterest-bearing liabilities	57,884			41,027		
Total noninterest-bearing liabilities	362,568			255,548		
Equity	606,924			583,427		
	$ 7,340,922			$ 6,015,552		
Net interest spread[5]			1.88%			1.89%
Net interest margin[6]		$ 127,351	2.36%		$ 107,240	2.43%

(1) Loan balances include loans HFI and held for sale. Nonaccrual loans are included in total loan balances and no adjustment has been made for these loans in the yield calculation. Interest income on loans includes amortization of deferred loan fees, net of deferred loan costs.

(2) Net loan fees of $152,000 and $114,000 for the nine months ended September 30, 2026 and 2025, respectively, are included in interest income.

(3) Average yield based on carrying value and there are no tax-exempt securities in the portfolio.

(4) Noninterest earning assets include the allowance for credit losses.

(5) Net interest spread is the average yield on total interest-earning assets minus the average rate on total interest-bearing liabilities.

(6) Net interest margin is annualized net interest income divided by total average interest-earning assets.

For the three months ended September 30, 2026, net interest income was $43.7 million, an increase of $3.3 million, or 8.2%, from $40.3 million for the same period in 2025. This increase was driven primarily by a $987.3 million increase in average interest-earning assets partially offset by a 15 basis point decrease in net interest margin.

For the nine months ended September 30, 2026, net interest income was $127.4 million, an increase of $20.1 million, or 18.8%, from $107.2 million for the same period in 2025. This increase was driven primarily by a 22.3% increase in average interest-earning assets partially offset by a 7 basis point decrease in net interest margin.

The increase in average interest-earning assets for the three and nine month periods ended September 30, 2026, as compared to the same periods in 2025, reflected the strong growth within the MPP and AIO portfolios, partially offset by the continued run-off from the remainder of the loans HFI portfolio.

Net interest margin was 2.32% for the three months ended September 30, 2026, a decrease of 15 basis points from 2.47% for the three months ended September 30, 2025. This decrease was driven primarily by lower average yields on interest-earning assets, partially offset by a decrease in the average rate paid on interest-bearing deposits and an improvement in the mix of interest-earning assets.

Net interest margin was 2.36% for the nine months ended September 30, 2026, a decrease of 7 basis points from 2.43% for the nine months ended September 30, 2025. This decrease was driven primarily by a decrease in the average yield earned on interest-earning assets, which outpaced the decrease in the average rate paid on interest-bearing deposits.

Yield and Volume Impact on Net Interest Income

Increases and decreases in interest income and interest expense result from changes in average balances (volume) of interest-earning assets and interest-bearing liabilities, as well as changes in average interest rates. The following table shows the effect that these factors had on the interest earned from our interest-earning assets and interest incurred on our interest-bearing liabilities. The effect of changes in volume is determined by multiplying the change in volume by the current period's average rate. The effect of rate changes is calculated by multiplying the change in average rate by the previous period's volume. The change in interest due to both rate and volume has been allocated to rate and volume changes in proportion to the relationship of the absolute dollar amounts of the changes in each.

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2026 vs 2025			2026 vs 2025		
	Variance Due To			Variance Due To		
(Dollars in thousands)	Volume	Yield/Rate	Total	Volume	Yield/Rate	Total
Interest-Earning Assets						
Loans	$ 16,452	$ (6,418)	$ 10,034	$ 60,657	$ (13,915)	$ 46,742
Securities, AFS	(11)	6	(5)	(124)	(76)	(200)
Securities, FHLB Stock	(43)	217	174	333	186	519
Interest-bearing deposits	(339)	(935)	(1,274)	1,100	(2,933)	(1,833)
Total interest-earning assets	16,059	(7,130)	8,929	61,966	(16,738)	45,228
Interest-Bearing Liabilities						
Deposits:						
Transaction accounts	4,672	(1,488)	3,184	14,171	(4,013)	10,158
Money market & savings	972	(505)	467	4,442	(1,537)	2,905
Time	1,105	(2,510)	(1,405)	11,186	(9,725)	1,461
Total interest-bearing deposits	6,749	(4,503)	2,246	29,799	(15,275)	14,524
Sub debt	1,930	(189)	1,741	5,979	(1,182)	4,797
Borrowings	1,912	(294)	1,618	5,775	21	5,796
Total interest-bearing liabilities	10,591	(4,986)	5,605	41,553	(16,436)	25,117
Net interest income / margin	$ 5,468	$ (2,144)	$ 3,324	$ 20,413	$ (302)	$ 20,111

Provision (Benefit) for Credit Losses

The provision (benefit) for credit losses represents a charge (gain) to earnings necessary to establish an allowance for credit losses that, in management's evaluation, is adequate to provide coverage for all expected future credit losses. The provision (benefit) for credit losses is impacted by inherent risk characteristics in our loan portfolio, the level of nonperforming loans and net charge-offs, both current and historic, recent historical and projected future economic conditions, loan growth, the direction of the change in collateral values, and the level of actual net charge-offs incurred. Our provision (benefit) for credit losses reflects risks in the HFI loan portfolio, as well as the unfunded commitments on that portfolio. The HFI loan portfolio is comprised predominately of collateralized single-family mortgage loans with very low historical loss experience.

For the three months ended September 30, 2026, the total provision (including both loans and unfunded commitments) for credit losses was $845,000, as compared to $828,000 for the same period in 2025. The provision for credit losses for the three months ended September 30, 2026 reflected net charge-offs of $429,000 and an increase of $524,000 in allowance for credit losses, which was primarily attributable to higher forecasted loss rates resulting from an update to Moody's credit models, partially offset by lower allowance from an improvement in qualitative factors. The provision for credit losses for the three months ended September 30, 2025 reflected net charge-offs of $977,000 and a $125,000 decrease in allowance for credit losses.

For the nine months ended September 30, 2026, the total provision (including both loans and unfunded commitments) for credit losses was $610,000, as compared to $2.7 million for the same period in 2025. This decrease was driven primarily by lower net charge-offs and a continued improvement in the mix of loans and credit migration trends.

Noninterest Income

The following table presents the major components of our noninterest income for the three and nine month periods ended September 30, 2026 and 2025:

(Dollars in thousands) Noninterest Income	For the Three Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Service charges on deposits and other fees	$ 343	$ 217	$ 126	58.1 %
Loan servicing fees	7,589	1,117	6,472	579.4 %
MPP fees	2,188	1,457	731	50.2 %
Net gain on sale of loans	2,188	20,953	(18,765)	(89.6) %
Other noninterest income	(46)	285	(331)	(116.1) %
	$ 12,262	**$ 24,029**	**$ (11,767)**	**(49.0)%**

(Dollars in thousands) Noninterest Income	For the Nine Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Service charges on deposits and other fees	$ 922	$ 635	$ 287	45.2 %
Loan servicing fees	13,405	3,637	9,768	268.6 %
MPP fees	6,465	3,952	2,513	63.6 %
Net gain on sale of loans	35,780	58,892	(23,112)	(39.2) %
Other noninterest income	(271)	2,224	(2,495)	(112.2) %
	$ 56,301	**$ 69,340**	**$ (13,039)**	**(18.8)%**

For the three months ended September 30, 2026, noninterest income was $12.3 million, a decrease of $11.8 million compared to the same period in 2025, driven primarily by lower net gain on sale of loans, partially offset by higher loan servicing fees and MPP fees. For the nine months ended September 30, 2026, noninterest income was $56.3 million, a decrease of $13.0 million compared to the same period in 2025, driven primarily by lower net gain on sale of loans and other noninterest income, partially offset by higher service charges on deposits, loan servicing fees and higher MPP fees. These decreases are explained further in the following tables and commentary below.

The following tables present the major components of our loan servicing fees and net gain on sale of loans for the three and nine month periods ended September 30, 2026 and 2025:

(Dollars in thousands) Loan Servicing Fees	For the Three Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Fees on servicing	$ 2,577	$ 2,027	$ 550	27.1 %
Change in fair value of MSRs [1]	5,012	(910)	5,922	(650.8) %
	$ 7,589	**$ 1,117**	**$ 6,472**	**579.4 %**

(1) Includes change in fair value and paid in full MSRs.

(Dollars in thousands) Loan Servicing Fees	For the Nine Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Fees on servicing	$ 7,191	$ 5,556	$ 1,635	29.4 %
Change in fair value of MSRs [1]	6,214	(1,919)	8,133	(423.8) %
	$ 13,405	**$ 3,637**	**$ 9,768**	**268.6 %**

(1) Includes change in fair value and paid in full MSRs.

For the three months ended September 30, 2026, loan servicing fees increased by $6.5 million compared to the same period in 2025. For the nine months ended September 30, 2026, loan servicing fees increased by $9.8 million compared to the same period in 2025. The increase from both comparable periods was driven primarily by changes in fair value on MSRs, consistent with the increase in market rates and associated decrease in prepayment speeds, and higher fees on servicing from the increase in volume of loans serviced for others.

For the three months ended September 30, 2026, MPP fees increased by $731,000 compared to the same period in 2025. For the nine months ended September 30, 2026, MPP fees increased by $2.5 million compared to the same period in 2025. The increase from both comparable periods reflects higher levels of funded loans in the MPP business.

(Dollars in thousands) Net Gain on Sale of Loans	For the Three Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Capitalized MSRs	$ 2,940	$ 1,285	$ 1,655	128.8 %
Change in fair value of loans [1]	(12,778)	725	(13,503)	(1862.5) %
Gain/loss on sale of portfolio loans [2]	(43)	1,234	(1,277)	(103.5) %
Gain on sale of loans, net [2]	12,069	17,709	(5,640)	(31.8) %
	$ 2,188	**$ 20,953**	**$ (18,765)**	**(89.6)%**
Total net gain on sale of loans	$ 2,188	$ 20,953	$ (18,765)	(89.6) %
Remove: change in fair value of loans HFI and LRA	9,284	(2,229)	11,513	(516.5) %
Total net gain on sale of loans, excluding portfolio sales and LRA / HFI fair value adjustments	**$ 11,515**	**$ 17,490**	**$ (5,975)**	**(34.2)%**

(1) Includes the change in fair value of interest rate locks, loans held for sale, and loans HFI.

(2) Includes (a) net gain on sale of loans, (b) loan origination fees, points and costs, (c) provision from investor reserves, (d) gain or loss from forward commitments from hedging, and (e) fair value of lender risk account.

(Dollars in thousands) Net Gain on Sale of Loans	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025	$ Increase (Decrease)	% Change
Capitalized MSRs	$ 7,928	$ 3,254	$ 4,674	143.6 %
Change in fair value of loans [1]	(13,596)	8,743	(22,339)	(255.5)%
Gain/loss on sale of portfolio loans	(43)	1,234	(1,277)	(103.5)%
Gain on sale of loans, net [2]	41,491	45,661	(4,170)	(9.1)%
	$ 35,780	**$ 58,892**	**$ (23,112)**	**(39.2)%**
Total net gain on sale of loans	$ 35,780	$ 58,892	$ (23,112)	(39.2)%
Remove: change in fair value of loans HFI and LRA	9,848	(7,739)	17,587	(227.3)%
Total net gain on sale of loans, excluding portfolio sales and LRA / HFI fair value adjustments	**$ 45,671**	**$ 49,919**	**$ (4,248)**	**(8.5)%**

(1) Includes the change in fair value of interest rate locks, loans held for sale, and loans HFI.

(2) Includes (a) net gain on sale of loans, (b) loan origination fees, points and costs, (c) provision from investor reserves, (d) gain or loss from forward commitments from hedging, and (e) fair value of lender risk account.

For the three months ended September 30, 2026, net gain on sale of loans decreased by $18.8 million, as compared to the same period in 2025. Net gain on sale of loans in the three months ended September 30, 2026 included a decrease of $9.3 million from the combined change in fair value of loans HFI and LRA, both attributable to the change in market interest rates. For the three months ended September 30, 2025, the combined change in fair value of loans HFI and LRA was a net increase of $2.2 million, attributable to the change in market interest rates. Excluding these items, net gain on sale of loans was $11.5 million for the three months ended September 30, 2026, down $6.0 million from $17.5 million for the three months ended September 30, 2025. This decrease was driven primarily by lower saleable residential mortgage rate lock commitments.

For the nine months ended September 30, 2026, net gain on sale of loans decreased by $23.1 million, as compared to the same period in 2025. Net gain on sale of loans in the nine months ended September 30, 2026 included a decrease of $9.8 million from the combined change in fair value of loans HFI and LRA, both attributable to the change in market interest rates. For the nine months ended September 30, 2025, the combined change in fair value of loans HFI and LRA was a net increase of $7.7 million, attributable to the change in market interest rates. Excluding these items, net gain on sale of loans was $45.7 million for the nine months ended September 30, 2026, down $4.2 million from $49.9 million for the nine months ended September 30, 2025. This decrease was driven primarily by lower saleable residential mortgage rate lock commitments.

For the nine months ended September 30, 2026, other noninterest income decreased by $2.5 million, as compared to the same period in 2025, as we recognized a $2.0 million gain on debt extinguishment of $102.5 million in FHLB advances during the nine months ended September 30, 2025, and did not have any such debt extinguishment gain or loss for the same period in 2026.

Noninterest Expense

The following tables present the major components of our noninterest expense for the three and nine month periods ended September 30, 2026 and 2025:

(Dollars in thousands) Noninterest Expense	For the Three Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Salaries and employee benefits	21,909	24,336	$ (2,427)	(10.0) %
Occupancy and equipment	726	811	(85)	(10.5) %
Data processing expense	2,604	2,190	414	18.9 %
Professional fees	1,492	1,701	(209)	(12.3) %
Other taxes and insurance	1,955	1,998	(43)	(2.2) %
Other	7,365	3,322	4,043	121.7 %
	$ 36,051	**$ 34,358**	**$ 1,693**	**4.9 %**

(Dollars in thousands) Noninterest Expense	For the Nine Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Salaries and employee benefits	71,288	67,012	$ 4,276	6.4 %
Occupancy and equipment	2,291	2,701	(410)	(15.2) %
Data processing expense	7,473	6,451	1,022	15.8 %
Professional fees	4,172	4,722	(550)	(11.6) %
Other taxes and insurance	6,179	4,974	1,205	24.2 %
Other	14,302	9,590	4,712	49.1 %
	$ 105,705	**$ 95,450**	**$ 10,255**	**10.7 %**

For the three months ended September 30, 2026, noninterest expense was $36.1 million, an increase of $1.7 million, compared to the same period in 2025. For the nine months ended September 30, 2026, noninterest expense was $105.7 million, an increase of $10.3 million, compared to the same period in 2025. These increases are explained further in the following tables and commentary below.

The tables below identify the primary components of salaries and benefits expense for the three and nine month periods ended September 30, 2026 and 2025:

(Dollars in thousands) Salaries and Employee Benefits	For the Three Months Ended September 30, 2026	2025	$ Increase (Decrease)	% Change
Salaries and other compensation	$ 8,735	$ 8,177	$ 558	6.8 %
Salary deferral from loan origination	(1,322)	(1,151)	(171)	14.9 %
Bonus and incentive compensation	3,585	5,425	(1,840)	(33.9) %
MPP - variable compensation	1,502	1,075	427	39.7 %
Mortgage production - variable compensation	6,411	7,578	(1,167)	(15.4) %
Employee benefits	2,998	3,232	(234)	(7.2) %
Total salaries and employee benefits	**$ 21,909**	**$ 24,336**	**$ (2,427)**	**(10.0)%**

(Dollars in thousands) Salaries and Employee Benefits	For the Nine Months Ended September 30, 2026	For the Nine Months Ended September 30, 2025	$ Increase (Decrease)	% Change
Salaries and other compensation	$ 26,134	$ 23,845	$ 2,289	9.6 %
Salary deferral from loan origination	(3,586)	(3,110)	(476)	15.3 %
Bonus and incentive compensation	12,459	12,631	(172)	(1.4) %
MPP - variable compensation	4,527	2,751	1,776	64.6 %
Mortgage production - variable compensation	21,711	21,365	346	1.6 %
Employee benefits	10,043	9,530	513	5.4 %
Total salaries and employee benefits	**$ 71,288**	**$ 67,012**	**$ 4,276**	**6.4 %**

For the three months ended September 30, 2026, total salaries and employee benefits decreased by $2.4 million compared to the same period in 2025. For the nine months ended September 30, 2026, salaries and employee benefits increased by $4.3 million compared to the same period in 2025. The decrease from the three months ended September 30, 2025 was due to lower bonus and incentive compensation tied to Company performance and lower variable compensation on mortgage production. The increase from the nine months ended September 30, 2025 was driven primarily by higher salaries and other compensation as the Company enhanced its compliance, risk and information technology areas after going public early in 2025, as well as higher variable compensation on MPP performance.

For the three months ended September 30, 2026, other taxes and insurance decreased by $43,000 compared to same period in 2025. For the nine months ended September 30, 2026, other taxes and insurance increased by $1.2 million compared to same period in 2025. The increase from the nine months ended September 30, 2025 was driven primarily by higher FDIC assessment expense, which fluctuates with changes in assets, wholesale funding mix and utilization of capital.

For the three months ended September 30, 2026, other non-interest expense increased by $4.0 million compared to same period in 2025. For the nine months ended September 30, 2026, other non-interest expense increased by $4.7 million compared to the same period in 2025. The increases in both comparable periods were driven primarily by additional expenses associated with the external deposit fraud loss noted above.

Income Tax Expense

For the three months ended September 30, 2026, total income tax expense was $4.6 million, as compared to $7.0 million for the same period in 2025. For the nine months ended September 30, 2026, total income tax expense was $19.1 million, as compared to $18.7 million for the same period in 2025. The effective tax rate was 24.43% and 24.65% for the three and nine months ended September 30, 2026, respectively, as compared to 24.00% and 23.79% for the three and nine months ended September 30, 2025, respectively. The effective tax rate for both the three and nine months ended September 30, 2026 was reduced by tax benefits associated with the purchase of transferable energy tax credits.

Preferred Stock Dividends

For the three months ended September 30, 2026, preferred stock dividends totaled $453,000, as compared to $2.0 million for the same period in 2025. For the nine months ended September 30, 2026, preferred stock dividends totaled $1.4 million, as compared to $6.5 million for the same period in 2025. This decrease from both comparable periods was due to the redemption of the remaining 77,000 shares of our Series A Preferred Stock which occurred during the fourth quarter of 2025.

Operating Segment Analysis

We have two reporting segments, Retail Banking and MPP. As discussed in Note 20 of our consolidated financial statements, our reportable segments have been determined based on management’s focus and internal reporting structure.

The MPP segment provides collateralized mortgage purchase facilities to independent mortgage bankers nationwide. The Retail Banking segment provides a vast array of financial products and services to consumers nationwide. These include residential mortgages, AIO Loans, other consumer loans, and loan servicing, as well as various types of deposit products, including checking, savings and time deposit accounts. It also includes general and administrative expenses for the enterprise-wide support functions, which are allocated among the segments, internal funds transfer pricing offsets resulting from allocations to or from the other segments, and certain elimination entries.

Our reported segments and the financial information disclosed in the reported segments are not necessarily comparable with similar information reported by other financial institutions. Furthermore, changes in management structure or allocation methodologies and procedures may result in future changes to previously reported operating segment financial information.

The following tables present our reported segment results for the three and nine month periods ended September 30, 2026 and 2025:

	As of or for the Three Months Ended September 30,					
	2026			2025		
(Dollars in thousands)	Retail Banking	MPP	Total	Retail Banking	MPP	Total
Interest income	$ 46,050	$ 64,715	$ 110,765	$ 48,766	$ 53,070	$ 101,836
Interest expense	(67,110)	—	(67,110)	(61,505)	—	(61,505)
Funds transfer pricing	43,125	(43,125)	—	34,924	(34,924)	—
Net interest income	**22,065**	**21,590**	**43,655**	**22,185**	**18,146**	**40,331**
Provision (benefit) for credit losses	740	105	845	639	189	828
Net income after provision	**21,325**	**21,485**	**42,810**	**21,546**	**17,957**	**39,503**
Noninterest income [1]	10,074	2,188	12,262	22,572	1,457	24,029
Salaries and employee benefits	(19,260)	(2,649)	(21,909)	(22,421)	(1,915)	(24,336)
Occupancy and equipment	(710)	(16)	(726)	(790)	(21)	(811)
Other noninterest expense [2]	(13,186)	(230)	(13,416)	(9,063)	(148)	(9,211)
Noninterest expense	(33,156)	(2,895)	(36,051)	(32,274)	(2,084)	(34,358)
Expense allocation [3]	1,098	(1,098)	—	1,491	(1,491)	—
Net income before taxes	**(659)**	**19,680**	**19,021**	**13,335**	**15,839**	**29,174**
Income tax expense	176	(4,822)	(4,646)	(3,252)	(3,749)	(7,001)
Net income (loss) before preferred dividends	**$ (483)**	**$ 14,858**	**$ 14,375**	**$ 10,083**	**$ 12,090**	**$ 22,173**
Average balance sheet assets	$ 3,484,908	$ 4,092,981	$ 7,577,889	$ 3,609,896	$ 2,964,970	$ 6,574,866
Period end assets	$ 3,465,965	$ 4,200,647	$ 7,666,612	$ 3,474,694	$ 3,364,886	$ 6,839,580

(1) Noninterest income for MPP only includes MPP related fees. All other noninterest income is reflected in Retail Banking.
(2) Includes data processing, professional services, office supplies and other miscellaneous expenses.
(3) Reflects corporate overhead expense allocations used by both business segments; primarily consisting of corporate admin, finance, technology, human resources, risk, marketing and occupancy related allocations.

	As of or for the Nine Months Ended September 30,					
	2026			2025		
(Dollars in thousands)	Retail Banking	MPP	Total	Retail Banking	MPP	Total
Interest income	$ 137,791	$ 181,516	$ 319,307	$ 144,203	$ 129,876	$ 274,079
Interest expense	(191,956)	—	(191,956)	(166,839)	—	(166,839)
Funds transfer pricing	116,665	(116,665)	—	85,710	(85,710)	—
Net interest income	**62,500**	**64,851**	**127,351**	**63,074**	**44,166**	**107,240**
Provision (benefit) for credit losses	300	310	610	2,044	662	2,706
Net income after provision	**62,200**	**64,541**	**126,741**	**61,030**	**43,504**	**104,534**
Noninterest income [1]	49,836	6,465	56,301	65,388	3,952	69,340
Salaries and employee benefits	(63,374)	(7,914)	(71,288)	(61,834)	(5,178)	(67,012)
Occupancy and equipment	(2,240)	(51)	(2,291)	(2,641)	(60)	(2,701)
Other noninterest expense [2]	(31,488)	(638)	(32,126)	(25,257)	(480)	(25,737)
Noninterest expense	(97,102)	(8,603)	(105,705)	(89,732)	(5,718)	(95,450)
Expense allocation [3]	4,047	(4,047)	—	3,964	(3,964)	—
Net income before taxes	**18,981**	**58,356**	**77,337**	**40,650**	**37,774**	**78,424**
Income tax expense	(4,678)	(14,383)	(19,061)	(9,717)	(8,941)	(18,658)
Net income (loss) before preferred dividends	**$ 14,303**	**$ 43,973**	**$ 58,276**	**$ 30,933**	**$ 28,833**	**$ 59,766**
Average balance sheet assets	$ 3,544,554	$ 3,796,368	$ 7,340,922	$ 3,575,710	$ 2,439,842	$ 6,015,552
Period end assets	$ 3,465,965	$ 4,200,647	$ 7,666,612	$ 3,474,694	$ 3,364,886	$ 6,839,580

(1) Noninterest income for MPP only includes MPP related fees. All other noninterest income is reflected in Retail Banking.
(2) Includes data processing, professional services, office supplies and other miscellaneous expenses.
(3) Reflects corporate overhead expense allocations used by both business segments; primarily consisting of corporate admin, finance, technology, human resources, risk, marketing and occupancy related allocations.

MPP

For the three months ended September 30, 2026, our MPP segment reported net income before preferred dividends of $14.9 million, an increase of $2.8 million, or 22.9%, over the $12.1 million reported for the same period in 2025. This increase was driven primarily by a 38.0% increase in average balances which drove higher net interest income and fees, partially offset by higher non-interest expense and lower net interest margin. For the nine months ended September 30, 2026, our MPP segment reported net income before preferred dividends of $44.0 million, an increase of $15.1 million, or 52.5%, over the $28.8 million reported for the same period in 2025. This increase was driven primarily by a 55.6% increase in average balances which drove higher net interest income and fees, partially offset by higher non-interest expense and lower net interest margin. The increase in average balances in both comparable periods reflects strong growth in MPP facilities from new customer acquisition and market share gains, along with increased balances from existing customers.

Retail Banking

For the three months ended September 30, 2026, our Retail Banking segment reported net loss before preferred dividends of $483,000, a decrease of $10.6 million, or 104.8%, from $10.1 million in net income before preferred dividends for the same period in 2025. This decrease was driven primarily by lower non-interest income, reflecting lower net gain on the sale of loans from the fair value decreases driven by market rate movements and a lower level of saleable mortgage originations, as well as higher non-interest expense from the external deposit fraud loss. For the nine months ended September 30, 2026, our Retail Banking segment reported net income before preferred dividends of $14.3 million, a decrease of $16.6 million, or 53.8%, from the $30.9 million reported for the same period in 2025. This decrease was driven primarily by lower non-interest income and higher noninterest expense, particularly salaries and employee benefits.

Discussion and Analysis of Financial Condition

The following table summarizes selected components of our balance sheets at September 30, 2026 and December 31, 2025:

(Dollars in thousands)	September 30, 2026	December 31, 2025	$ Increase (Decrease)	% Change
BALANCE SHEET DATA				
Total assets	$ 7,666,612	$ 7,022,825	$ 643,787	9.2 %
Cash and cash equivalents	489,901	496,459	(6,558)	(1.3)%
Equity and debt securities	6,141	6,085	56	0.9 %
FHLB stock	77,207	80,109	(2,902)	(3.6)%
Loans HFI and loans held for sale, net	6,956,778	6,320,305	636,473	10.1 %
Lender risk account	27,350	30,446	(3,096)	(10.2)%
Deposits	5,443,759	4,869,667	574,092	11.8 %
Borrowings	1,427,500	1,439,500	(12,000)	(0.8)%
Subordinated debentures	117,038	96,915	20,123	20.8 %
Total equity capital	624,689	569,042	55,647	9.8 %

Total Assets

Total assets were $7.67 billion at September 30, 2026 compared to $7.02 billion at December 31, 2025. This $643.8 million increase in total assets was driven primarily by higher loan balances, including loans HFI and loans held for sale, which increased by $636.5 million over the prior year end period.

Loan Portfolio

The following table presents the balance and associated percentage of each major loan type within our portfolio, including net deferred fees and costs and purchase discount, as of the dates indicated:

	September 30, 2026		December 31, 2025	
(Dollars in thousands)	Amount	% of Total Gross Loans	Amount	% of Total Gross Loans
Residential:				
Construction	$ 6,445	0.09%	$ 17,430	0.28%
All-in-One (AIO)[1]	897,609	12.88%	732,583	11.57%
Other consumer / home equity[1]	45,635	0.66%	55,550	0.88%
Residential mortgage[2]	1,622,937	23.30%	1,775,508	28.05%
Commercial	20,418	0.29%	15,521	0.25%
MPP	4,200,647	60.30%	3,424,935	54.10%
Total loans HFI	6,793,691	97.52%	6,021,527	95.12%
Loans held for sale	173,047	2.48%	309,213	4.88%
Total gross loans (HFI and HFS)	$ 6,966,738	100.00%	$ 6,330,740	100.00%

(1) AIO and other consumer / home equity are aggregated into home equity lines of credit loans within the tables in our consolidated financial statements.

(2) Residential mortgage loans consist of closed end first liens, closed end second liens, and land development loans.

Our loan portfolio includes both loans HFI and loans held for sale. Our loans HFI portfolio comprises 98% of our total gross loans.

Our MPP business offers facilities to independent mortgage banking companies located nationwide. These are floating rate, short term advances that are collateralized by one-to-four family mortgage loans that our mortgage bankers are preparing to be delivered to the secondary mortgage market. In most cases, these mortgage loans sit in our mortgage banking client's facility for less than 30 days after the loan is purchased.

Residential mortgage loans include fixed or adjustable-rate residential real estate loans collateralized by one-to-four family properties. Our portfolio is geographically diversified across the United States. To mitigate interest rate risk, most of the loans we choose to hold in our portfolio are floating rate loans. The majority of our residential mortgage loans at September 30, 2026 were first liens.

AIO loans are floating rate, first mortgage revolving equity loans that include a checking account linked to the revolving equity loans.

We also have a smaller portfolio of construction loans, home equity lines of credit (non-AIO), and commercial loans, which combined represented less than approximately 1% of the overall loan portfolio as of September 30, 2026.

At September 30, 2026, our total loans net of allowance for credit losses including loans held for sale was $6.96 billion, as compared to $6.32 billion on December 31, 2025. This increase of $636.5 million since year end 2025 was driven primarily by the strong growth in MPP balances, which increased by $775.7 million, reflecting the strength of scalable technology, long-standing strong relationships built by account executives since inception, as well as our ability to capitalize on recent market disruption within the business line. Another key driver of our overall loan growth is growth in our AIO loans, which increased by $165.0 million to $897.6 million at September 30, 2026 from $732.6 million at December 31, 2025. This increase includes our September 30, 2026 purchase of $85.4 million in seasoned AIO loans ($69.9 million net of purchase discount) discussed above.

As of September 30, 2026, residential mortgage comprised 23.30% of our total loan portfolio compared to 60.30% for MPP and 12.88% for AIO loans. As of December 31, 2025, residential mortgage comprised 28.05% of our total loan portfolio compared to 54.10% for MPP and 11.57% for AIO loans. The reduction in residential mortgage loans as a percentage of total loans reflects normal amortization and pay-offs, as we continue to focus on growing our two main portfolios, AIO and MPP. Outside of these two portfolios, no other significant loans are being added to the loans HFI portfolio. While MPP represents a significant and growing portion of our loan portfolio, management actively monitors concentration risk, liquidity characteristics, and counterparty exposure associated with this business line.

Contractual Maturities and Rate Structures of Loan Portfolio

The following table sets forth the contractual maturities and rate structures at September 30, 2026 and December 31, 2025:

Contractual Loan Maturities as of September 30, 2026

	Due in 1 Year or less		Due after 1 Year through 5 years		Due after 5 Years through 15 years		Due after 15 years		
(Dollars in thousands)	**Fixed Rate**	**Adjustable Rate**	**Fixed Rate**	**Adjustable Rate**	**Fixed Rate**	**Adjustable Rate**	**Fixed Rate**	**Adjustable Rate**	Total
Residential									
Construction	$ 716	$ —	$ —	$ —	$ —	$ —	$ 5,575	$ 154	$ 6,445
All-in-One (AIO)[1]	—	—	—	—	187	69,728	—	827,694	897,609
Other consumer / home equity[1]	—	—	—	—	—	275	—	45,360	45,635
Residential mortgage[2]	19	28	669	226	12,891	11,603	365,962	1,231,539	1,622,937
Commercial	—	20,000	418	—	—	—	—	—	20,418
MPP	—	4,200,647	—	—	—	—	—	—	4,200,647
Total loans HFI	735	4,220,675	1,087	226	13,078	81,606	371,537	2,104,747	6,793,691
Retail loans held for sale	—	—	—	—	1,053	—	22,380	149,614	173,047
Total gross loans (HFI and HFS)	**$ 735**	**$ 4,220,675**	**$ 1,087**	**$ 226**	**$ 14,131**	**$ 81,606**	**$ 393,917**	**$ 2,254,361**	**$ 6,966,738**

(1) AIO and other Consumer / home equity are aggregated into home equity lines of credit loans within the tables in our consolidated financial statements.

(2) Residential mortgage loans consist of closed end first liens, closed end second liens, and land development loans.

Contractual Loan Maturities as of December 31, 2025

(Dollars in thousands)	Due in 1 Year or less		Due after 1 Year through 5 years		Due after 5 Years through 15 years		Due after 15 years		Total
	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	Fixed Rate	Adjustable Rate	
Residential									
Construction	$ 3,277	$ —	$ —	$ —	$ —	$ —	$ 8,831	$ 5,322	$ 17,430
All-in-One (AIO)[1]	—	—	—	—	—	—	—	732,583	$ 732,583
Other consumer / home equity[1]	—	—	—	41	—	85	—	55,424	55,550
Residential mortgage[2]	27	44	625	298	13,648	12,904	393,926	1,354,035	1,775,507
Commercial	239	15,000	225	—	57	—	—	—	15,521
MPP	—	3,424,936	—	—	—	—	—	—	3,424,936
Total loans HFI	3,543	3,439,980	850	339	13,705	12,989	402,757	2,147,364	6,021,527
Retail loans held for sale	—	—	—	—	1,987	—	301,337	5,889	309,213
Total gross loans (HFI and HFS)	**$ 3,543**	**$ 3,439,980**	**$ 850**	**$ 339**	**$ 15,692**	**$ 12,989**	**$ 704,094**	**$ 2,153,253**	**$ 6,330,740**

(1) AIO and other consumer / home equity are aggregated into home equity lines of credit loans within the tables in our consolidated financial statements.

(2) Residential Mortgage loans consist of closed end first liens, closed end second liens, and land development loans.

Our mortgage loan portfolio has ARMs which reset annually after the initial fixed rate period, which ranges from one to 10 years. AIO loans are adjustable rate and reset monthly. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

As of September 30, 2026, 61% of our total loan portfolio had a contractual maturity of less than one year, up from 54% at December 31, 2025. The increase was primarily due to growth in our MPP business over this period. Our MPP facilities are floating rate and generally have terms of 30 days or less given that is the time period that a funded mortgage stays in our mortgage banking client's facility prior to the sale of the mortgage in the secondary market. Very few of our loans have intermediate contractual maturities of between one and fifteen years. As of September 30, 2026, 38% of total loans had contractual maturities of longer than 15 years, compared to 45% at December 31, 2025. Within our two largest categories of long duration loans as of September 30, 2026, 77% of residential mortgage and 100% of our AIO loans were floating rate.

Nonperforming Assets

The following table provides details of our nonperforming and restructured assets (including both loans HFI and loans held for sale) as of the dates presented and certain other related information:

(Dollars in thousands)	September 30, 2026	December 31, 2025
Nonaccrual loans[1]:		
Commercial	190	243
Construction	1,501	1,176
Land development	3,980	4,573
Home equity lines of credit	14,888	13,784
First lien mortgage	34,641	34,974
First lien mortgage wholly or partially guaranteed by the U.S Government	25,164	25,708
Junior lien mortgage	2,570	1,556
MPP	—	—
	82,934	82,014
Loans past due 90 days or more and still accruing[1]:		
Commercial	—	—
Construction	—	1,329
Land development	—	—
Home equity lines of credit	—	588
First lien mortgage	7,477	4,480
First lien mortgage wholly or partially guaranteed by the U.S Government	1,870	2,554
Junior lien mortgage	431	—
MPP	—	—
	9,778	8,951
Total nonperforming loans	92,712	90,965
Other real estate owned	2,823	1,720
Total nonperforming assets	$ 95,535	$ 92,685
Nonaccrual loans to total loans	1.19%	1.30%
Nonperforming loans to total loans	1.33%	1.44%
Nonperforming assets to total assets	1.25%	1.32%
Allowance for credit losses to nonaccrual loans	12.01%	12.72%
Ratios excluding loans wholly or partially guaranteed by the U.S Government		
Nonaccrual loans to total loans	0.83%	0.89%
Nonperforming loans to total loans	0.94%	0.99%
Nonperforming assets to total assets	0.89%	0.92%
Allowance for credit losses to nonaccrual loans	17.24%	18.53%

(1) Includes loans which are reported at fair value (see Note 17 of our consolidated financial statements).

At September 30, 2026, nonperforming assets were $95.5 million compared to $92.7 million at December 31, 2025. Nonperforming assets as a percent of total assets decreased to 1.25% at September 30, 2026, compared to 1.32% at December 31, 2025, reflecting the growth in our MPP portfolio which does not have any non-performing assets.

A material portion of the Company's non-performing loans are wholly or partially guaranteed by the U.S. Government, so asset quality metrics within this Quarterly Report on Form 10-Q are shown with and without these guaranteed loans. Excluding the portion of our loans that are wholly or partially guaranteed by the U.S. Government, nonperforming assets to total assets

decreased to 0.89% at September 30, 2026, compared to 0.92% at December 31, 2025. At September 30, 2026, approximately 29% of our nonperforming loans have a form of government guarantee.

The Company uses a risk grading system for our loans to aid us in evaluating the overall credit of our loan portfolio and assessing the adequacy of our allowance for credit losses. All loans are categorized into a risk category at the time of origination. Loans are re-evaluated for proper risk grading as new information such as payment patterns, collateral condition and other relevant information comes to our attention. Our classified assets are described in more detail in Note 3 of the Notes to Consolidated Financial Statements.

Allowance for Credit Losses and Net Charge-Offs

The ACL is established through a provision for credit losses charged to operations. Loans are charged against the allowance for credit losses when management believes that the collectability of the principal is unlikely. Subsequent recoveries of previously charged off amounts, if any, are credited to the allowance for credit losses. The ACL is evaluated on a regular basis by management and is based on management's periodic review of the collectability of the loans considering historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. While the entire ACL is available to absorb losses from all loans, the following table represents management's allocation of our allowance for credit losses by loan category, and the percentage of allowance for credit losses in each category, for the periods indicated:

	September 30, 2026		December 31, 2025	
(Dollars in thousands)	**Dollars**	**% of Total**	**Dollars**	**% of Total**
Collectively evaluated for impairment:				
Commercial	$ 46	0.5%	$ 61	0.6%
Construction	309	3.1%	668	6.4%
Land development	1,033	10.4%	1,386	13.3%
Home equity lines of credit	2,211	22.2%	1,978	19.0%
First lien mortgage	2,856	28.7%	3,048	29.2%
Junior lien mortgage	1,281	12.9%	1,608	15.4%
MPP	1,680	16.9%	1,370	13.1%
	9,416	94.5%	10,119	97.0%
Individually evaluated for impairment	544	5.5%	311	3.0%
Unallocated	—	—%	5	—%
	544	5.5%	316	3.0%
Total allowance for credit losses	$ 9,960	100.0%	$ 10,435	100.0%

The following table provides an analysis of the activity in our allowance for the periods indicated:

	For the Three Months Ended			
	September 30, 2026		September 30, 2025	
(Dollars in thousands)	Activity	% of Average Loans HFI (1)	Activity	% of Average Loans HFI (1)
Loans HFI	$ 6,793,691		$ 5,967,235	
Loans HFI (excluding fair value loans)	$ 6,642,236		$ 5,787,844	
Beginning allowance for credit losses	$ 9,436		$ 12,375	
Initial ACL on PCD Acquired AIO Loans	—		—	
Initial ACL on PSL Acquired AIO Loans	33		—	
Net charge-offs (recoveries):				
Commercial	(2)	-0.01 %	(1)	-0.39 %
Construction	90	0.96 %	—	0.00 %
Land development	10	0.01 %	20	0.06 %
Home equity lines of credit	51	0.01 %	284	0.15 %
First lien mortgage	99	0.01 %	493	0.10 %
Junior lien mortgage	181	0.28 %	181	0.96 %
MPP	—	0.00 %	—	0.00 %
Total net charge-offs (recoveries)	429		977	
Provision for credit losses	920		852	
Ending allowance for credit losses	$ 9,960		$ 12,250	
Allowance for credit losses to loans HFI	0.15%		0.21%	
Allowance for credit losses to loans HFI (excluding fair value loans)	0.15%		0.21%	
Net charge-offs (recoveries) to average loans	0.02%		0.07%	

(1) Net charge-offs annualized for interim period.

(Dollars in thousands)	For the Nine Months Ended September 30, 2026 Activity	% of Average Loans HFI (1)	For the Nine Months Ended September 30, 2025 Activity	% of Average Loans HFI (1)
Loans HFI	$ 6,793,691		$ 5,967,235	
Loans HFI (excluding fair value loans)	$ 6,642,236		$ 5,787,844	
Beginning allowance for credit losses	$ 10,435		$ 11,190	
Initial ACL on PCD Acquired AIO Loans	—		—	
Initial ACL on PSL Acquired AIO Loans	34		—	
Net charge-offs (recoveries):				
Commercial	(113)	-0.76 %	(8)	-0.34 %
Construction	141	1.18 %	—	0.00 %
Land development	24	0.02 %	22	0.02 %
Home equity lines of credit	353	0.04 %	552	0.10 %
First lien mortgage	515	0.03 %	928	0.07 %
Junior lien mortgage	304	0.45 %	231	0.40 %
MPP	—	0.00 %	—	0.00 %
Total net charge-offs (recoveries)	1,224		1,725	
Provision (benefit) for credit losses	715		2,785	
Ending allowance for credit losses	$ 9,960		$ 12,250	
Allowance for credit losses to loans HFI	0.15%		0.21%	
Allowance for credit losses to loans HFI (excluding fair value loans)	0.15%		0.21%	
Net charge-offs (recoveries) to average loans	0.02%		0.03%	

(1) Net charge-offs annualized for interim period.

The ACL was 0.15% of total loans HFI at September 30, 2026, as compared to 0.17% as of December 31, 2025. This ratio includes MPP balances, which carry significantly lower reserves given the lack of loss history, and fair value loans, which are not included in the ACL calculation.

Management estimates the allowance by using relevant available information from internal and external sources related to historical loss experience, current borrower risk characteristics, current economic conditions, reasonable and supportable forecasts, and other relevant factors. The allowance is measured on a collective or pool basis when similar risk characteristics exist or on an individual basis when loans have unique risk characteristics which differentiate them from other loans within the loan segment. The process for estimating credit losses incorporates methodologies and procedures specific to the residential and commercial loan portfolios, each of which has unique risk characteristics. Our ACL methodology is described in more detail in Notes 1 and 3 of the notes to the consolidated financial statements included within this report.

Our ACL, and associated percentage of total loans, reflect the relative credit risk of our loan portfolio. These include the seasoning of the portfolio, LTV, FICO score, debt to income ratio (“DTI”) and collateral coverage. Given these risk characteristics, and the stark contrast to other financial institutions with a commercial heavy loan portfolio, our allowance and associated ratios will be much lower than those of bank peers with similar asset size. This nuance is also evidenced by the low level of charge-offs we have historically incurred. Additionally, as discussed above, our MPP portfolio makes up an increasing portion of our total loan portfolio and we have yet to experience any loss on that portfolio. We also have purchased mortgage insurance on certain high loan to value loans, further minimizing our loss potential on those loans. Our annualized net charge-off rate was 0.02% for the three months ended September 30, 2026 and 0.02% for the nine months ended September 30, 2026 compared to 0.07% and 0.03%, respectively, for the same periods in 2025.

Investment Portfolio

The Company has historically maintained a very small debt securities portfolio relative to other banking institutions, preferring to invest in highly liquid loans or hold our liquidity in cash or cash equivalents. At September 30, 2026, debt securities totaled $4.9 million, or 0.06%, of total assets compared to $4.7 million, or 0.07%, at December 31, 2025.

The following table presents the carrying value of our investment portfolio as of the dates indicated:

	September 30, 2026		December 31, 2025	
(Dollars in thousands)	Carrying Value	% of Total	Carrying Value	% of Total
Available for sale securities:				
Corporate debt	$ 4,858	100.0%	$ 4,738	100.0%
Total available for sale securities	4,858	100.0%	4,738	100.0%
Total investment securities	$ 4,858	100.0%	$ 4,738	100.0%

The individual bond held by the Company moved to a variable rate during the three months ended September 30, 2026 as designated in the bond instrument.

The following tables present the par value of our debt securities by their stated maturities, as well as the weighted average yields for each maturity range as of the dates indicated (dollars in thousands):

	Due in 1 Year or Less		Due after 1 Year through 5 Years		Due after 5 Years through 10 Years		Due after 10 Years		Total	
September 30, 2026	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]
Available for sale securities:										
Corporate debt	—	—	—	—	$ 5,000	7.11%	—	—	$ 5,000	7.11%
Total available for sale securities	—	—	—	—	5,000	7.11%	—	—	5,000	7.11%
Total investment securities	—	—	—	—	$ 5,000	7.11%	—	—	$ 5,000	7.11%

(1) Weighted-average yields on investment securities are computed based on par value and exclude any premiums or discounts recorded. There are no tax-exempt securities in the portfolio.

	Due in 1 Year or Less		Due after 1 Year through 5 Years		Due after 5 Years through 10 Years		Due after 10 Years		Total	
December 31, 2025	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]	Par Value	Weighted Avg Yield[1]
Available for sale securities:										
Corporate debt	—	—	$ —	—%	$ 5,000	4.00%	$ —	—%	$ 5,000	4.00%
Total available for sale securities	—	—	—	—%	5,000	4.00%	—	—%	5,000	4.00%
Total investment securities	—	—	$ —	—%	$ 5,000	4.00%	$ —	—%	$ 5,000	4.00%

(1) Weighted-average yields on investment securities are computed based on par value and exclude any premiums or discounts recorded. There are no tax-exempt securities in the portfolio.

Deposits

Deposits are the primary source of funding for our business operations. At September 30, 2026, total deposits were $5.44 billion, as compared to $4.87 billion at December 31, 2025. This $574.1 million increase in deposits from year end 2025 was driven primarily by growth in interest bearing demand and time deposits.

The following table summarizes our deposit composition by average deposits and average rates paid for the periods indicated:

(Dollars in thousands)	For the Nine Months Ended September 30, 2026			For the Year Ended December 31, 2025		
	Average Amount	Weighted Avg Rate Paid	Percent of Total Deposits	Average Amount	Weighted Avg Rate Paid	Percent of Total Deposits
Noninterest bearing demand	$ 304,684	0.00%	6%	$ 234,109	0.00%	5%
Interest bearing demand	1,269,568	3.98%	25%	865,349	4.34%	20%
Savings & money market	483,737	3.43%	9%	379,012	3.79%	9%
Time	3,080,742	4.01%	60%	2,856,257	4.37%	66%
Total deposits	$ 5,138,731	3.71%	100%	$ 4,334,727	4.08%	100%

The following tables set forth the maturity of time deposits for the period ending indicated:

(Dollars in thousands)

September 30, 2026	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Brokered CDs	$ 2,928,937	$ —	$ —	$ 37,330	$ 2,966,267
All other CDs	103,370	57,738	73,429	57,794	292,331
Total time deposits	$ 3,032,307	$ 57,738	$ 73,429	$ 95,124	$ 3,258,598

(Dollars in thousands)

December 31, 2025	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Brokered CDs	$ 2,299,112	$ 250,000	$ 50,000	$ 37,330	$ 2,636,442
All other CDs	110,431	73,964	114,696	70,571	369,662
Total time deposits	$ 2,409,543	$ 323,964	$ 164,696	$ 107,901	$ 3,006,104

Total uninsured deposits were $367.7 million at September 30, 2026 and $379.0 million at December 31, 2025.

The following table shows the portion of time deposits that are uninsured, by remaining time until maturity, at September 30, 2026:

(Dollars in thousands)	September 30, 2026
3 months or less	$ 25,838
Over 3 through 6 months	15,918
Over 6 through 12 months	17,826
Over 12 months	3,408
Total:	**$ 62,990**

Borrowings

Another key source of our funding is collateralized borrowings from the FHLB. At September 30, 2026, total FHLB borrowings were $1.43 billion, compared to $1.42 billion at December 31, 2025. At September 30, 2026, we had $1.37 billion in additional borrowing capacity at the FHLB. We had no outstanding short-term borrowings on our line of credit with the FHLB at September 30, 2026 or December 31, 2025. We also make use of other overnight borrowings, and had no overnight borrowings at September 30, 2026 or December 31, 2025.

The following table is a summary of our outstanding FHLB advances for the periods indicated:

(Dollars in thousands)	As of or For The Nine Months Ended September 30, 2026	As of or For The Year Ended December 31, 2025
Period ending balance	$ 1,427,500	$ 1,422,500
Average balance during period	1,417,626	1,238,417
Maximum outstanding at any month end	1,451,496	1,422,500
Weighted average rate paid	3.89%	3.91%

On October 2, 2026, we prepaid two of our FHLB symmetrical advances totaling $165.0 million at a discount, recognizing a gain on debt extinguishment of $2.7 million.

Subordinated Debentures and Subordinated Debentures Issued through Trusts

At September 30, 2026, we had $115.0 million in outstanding subordinated debenture notes, which is detailed in the table below and described further in Note 9 to the consolidated financial statements included within this report.

At December 31, 2025, we had $95.0 million in outstanding subordinated debenture notes, which were issued to investors in two separate private placements, one in 2024 and one in 2025. On March 12, 2026, we issued $20.0 million in additional subordinated debenture notes.

At both September 30, 2026 and December 31, 2025, we had $5.0 million in subordinated debentures issued through trusts due on March 17, 2034, which are currently callable on quarterly interest payment dates, with the next call date of December 17, 2026.

The following tables provide a summary of our outstanding subordinated notes and subordinated debentures issued through trusts for the periods indicated:

Subordinated Notes and Subordinated Debentures issued through Trusts as of September 30, 2026

(Dollars in thousands)	Issuance Date	Amount of Notes	Current Coupon	Next Call Date	Maturity Date
Subordinated notes:					
Fixed to floating due 2034	August 22, 2024	$ 25,000	9.00% (fixed)	September 1, 2029	September 1, 2034
Fixed to floating due 2035	December 9, 2025	70,000	7.50% (fixed)	December 15, 2030	December 15, 2035
Fixed to floating due 2036	March 12, 2026	20,000	7.50% (fixed)	March 15, 2031	March 15, 2036
Subordinated debentures issued through trusts:					
Trust preferred due 2034	March 17, 2004	5,000	6.96% (3 mo SOFR + 2.79)%	December 17, 2026	March 17, 2034
		120,000			
Unamortized issuance costs		(2,962)			
		$ 117,038			

Subordinated Notes and Subordinated Debentures issued through Trusts as of December 31, 2025

(Dollars in thousands)	Issuance Date	Amount of Notes	Current Coupon	Next Call Date	Maturity Date
Subordinated notes:					
Fixed to floating due 2034	August 22, 2024	$ 25,000	9.00% (fixed)	September 1, 2029	September 1, 2034
Fixed to floating due 2035	December 9, 2025	70,000	7.50% (fixed)	December 15, 2030	December 15, 2035
Subordinated debentures issued through trusts:					
Trust preferred due 2034	March 17, 2004	5,000	6.70% (3 mo SOFR + 2.79)%	March 17, 2026	March 17, 2034
		100,000			
Unamortized issuance costs		(3,085)			
		$ 96,915			

Impact of Inflation and Changing Prices

The Company's financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). GAAP presently requires the Company to measure financial position and operating results primarily in terms of historic dollars. Changes in the relative value of money due to inflation or recession are generally not considered. The primary effect of inflation on the operations of the Company is reflected in increased operating costs, and the Company has experienced material effects of inflation during the last four fiscal years due to the government's monetary policies and the current economic climate. In management's opinion, changes in interest rates affect the financial condition of a financial institution to a far greater degree than changes in the inflation rate. While interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or in the same magnitude as the inflation rate. Interest rates are highly sensitive to many factors that are beyond the control of the Company, including changes in the expected rate of inflation, the influence of general and local economic conditions and the monetary and fiscal policies of the United States government, its agencies and various other governmental regulatory authorities, among other things, as further discussed in the next section.

Liquidity

Liquidity refers to our capacity to meet our cash obligations at a reasonable cost. Our cash obligations require us to have cash flow that is adequate to fund loan growth and maintain on-balance sheet liquidity while meeting present and future obligations of deposit withdrawals, borrowing maturities and other contractual cash obligations. In managing our cash flows, management regularly confronts situations that can give rise to increased liquidity risk. These include funding mismatches, market constraints in accessing sources of funds and the ability to convert assets into cash. Changes in economic conditions or exposure to credit, market, operational, legal and reputational risks also could affect our Bank's liquidity risk profile and are considered in the assessment of liquidity management. The Company is a corporation separate and apart from our Bank and, therefore, must provide for its own liquidity, including liquidity required to meet its debt service requirements on its subordinated notes and junior subordinated debentures and dividends on its Series B Preferred Stock. The Company's main source of cash flow is dividends declared and paid to it by the Bank.

There are statutory and regulatory limitations that affect the ability of our Bank to pay dividends to the Company. See the section entitled "Supervision and Regulation" and our forward looking statements in our 2025 Form 10-K for more information. We believe that these limitations will not impact our ability to meet our ongoing short-term cash obligations. For contingency purposes, the Company typically maintains a minimum level of cash to fund two years' projected operating cash flow needs and debt service. We continually monitor our liquidity position to ensure that our assets and liabilities are managed in a manner to meet all reasonably foreseeable short-term, long-term and strategic liquidity demands. Management has established a comprehensive management process for identifying, measuring, monitoring and controlling liquidity risk.

Brokered time deposits are a significant source of our funding and currently make up greater than 50% of total deposits. At September 30, 2026, brokered time deposits totaled $2.97 billion compared to $2.64 billion at December 31, 2025, with the majority scheduled to mature within three months. Our ability to replace maturing brokered deposits depends on market

conditions, our financial condition and the Bank's continued status as well capitalized. If we are unable to replace maturing brokered deposits on acceptable terms, we may be required to rely on more expensive funding sources, reduce MPP fundings or otherwise reduce asset growth, which could adversely affect our net interest margin and results of operations.

Because of its critical importance to the viability of our Bank, liquidity risk management is fully integrated into our risk management processes. Critical elements of our liquidity risk management include: effective corporate governance consisting of oversight by the board of directors and active involvement by management; appropriate strategies, policies, procedures and limits used to manage and mitigate liquidity risk; comprehensive liquidity risk measurement and monitoring systems including stress tests that are commensurate with the complexity of our business activities; active management of intraday liquidity and collateral; an appropriately diverse mix of existing and potential future funding sources; comprehensive contingency funding plans that sufficiently address potential adverse liquidity events and emergency cash flow requirements; and internal controls and internal audit processes sufficient to determine the adequacy of our Bank's liquidity risk management process.

The Company considers the maintenance of adequate liquidity to be an important part of managing risk. Consistent with our balance sheet strategy, we have intentionally kept our liquidity primarily in cash and interest-bearing deposits rather than investing heavily in investment securities, which typically includes significant unrealized gains or losses.

Our liquidity position is supported by management of our liquid assets and liabilities and access to alternative sources of funds. Our liquidity requirements are met primarily through our deposits, FHLB advances and the principal and interest payments we receive on loans and investment securities. Cash on hand, cash at third-party banks, and maturing or prepaying balances in our loan portfolios are our most liquid assets. Additionally, the Company has a unilateral right not to fund its MPP facilities, which it could exercise within 30 days, if needed or as necessary, to generate additional liquidity. Other sources of liquidity that are routinely available to us include funds from retail and wholesale deposits, advances from the FHLB and proceeds from the sale of loans. See "Borrowings" above for more information regarding FHLB advances that are available to us. Less commonly used sources of funding include other borrowings and lines of credit. We believe our current liquidity resources are sufficient to fund anticipated growth and meet other cash needs; however, there can be no assurance that these resources will remain available on acceptable terms, particularly in light of our reliance on brokered deposits, a significant portion of which mature within three months.

Capital Adequacy

We and our Bank are subject to various regulatory capital requirements administered by the federal and state banking regulators. Our capital management consists of providing equity to support our current operations and future growth. Failure to meet minimum regulatory capital requirements may result in mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, our Bank must meet specific capital guidelines that involve quantitative measures of our assets, liabilities and off-balance sheet items as calculated under regulatory accounting policies. At September 30, 2026, we and our Bank exceeded all applicable minimum regulatory capital requirements, including the capital conservation buffer applicable to our Bank, and our Bank qualified as "well-capitalized" for purposes of the FDIC's prompt corrective action regulations.

The following table presents our regulatory capital ratios as of the dates presented, as well as the regulatory capital ratios that are required by FDIC regulations for our Bank to maintain "well-capitalized" status:

Regulatory Capital Ratios

	Actual		Required for Capital Adequacy Purposes		Required to be Well Capitalized Under PCA	
(Dollars in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Northpointe Bancshares Inc.						
As of September 30, 2026						
Total capital to RWA	$754,231	11.45%	$526,931	8.00%	N/A	N/A
Tier 1 capital to RWA	$628,987	9.55%	$395,199	6.00%	N/A	N/A
Common Equity Tier 1 to RWA	$599,008	9.09%	$296,399	4.50%	N/A	N/A
Tier 1 capital to average assets (leverage)	$628,987	8.30%	$303,083	4.00%	N/A	N/A
As of December 31, 2025						
Total capital to RWA	$678,300	11.47%	$473,290	8.00%	N/A	N/A
Tier 1 capital to RWA	$574,967	9.72%	$354,968	6.00%	N/A	N/A
Common Equity Tier 1 to RWA	$544,988	9.21%	$266,226	4.50%	N/A	N/A
Tier 1 capital to average assets (leverage)	$574,967	8.24%	$279,168	4.00%	N/A	N/A
Northpointe Bank						
As of September 30, 2026						
Total capital to RWA	$731,982	11.11%	$526,892	8.00%	$658,615	10.00%
Tier 1 capital to RWA	$721,738	10.96%	$395,169	6.00%	$526,892	8.00%
Common Equity Tier 1 to RWA	$721,738	10.96%	$296,377	4.50%	$428,100	6.50%
Tier 1 capital to average assets (leverage)	$721,738	9.53%	$303,059	4.00%	$378,823	5.00%
As of December 31, 2025						
Total capital to RWA	$671,588	11.35%	$473,268	8.00%	$591,585	10.00%
Tier 1 capital to RWA	$663,255	11.21%	$354,951	6.00%	$473,268	8.00%
Common Equity Tier 1 to RWA	$663,255	11.21%	$266,213	4.50%	$384,530	6.50%
Tier 1 capital to average assets (leverage)	$663,255	9.50%	$279,158	4.00%	$348,947	5.00%

Off-balance Sheet Arrangements

In the ordinary course of business, we enter into lending commitments that are not on our consolidated balance sheet. The largest component is lending commitments to our MPP customers, which the Company has a unilateral right not to fund. The remainder are undrawn revolving loan commitments on our AIO Loans and undrawn commitments on home equity lines of credit. While these commitments represent contractual cash requirements, a portion of these commitments to extend credit are expected to expire without being drawn upon. Therefore, future commitments do not necessarily represent future cash requirements.

The following is a summary of our off-balance commitments outstanding as of the dates presented.

(Dollars in thousands)	**September 30, 2026**	**December 31, 2025**
Commitments to fund loans HFI	$ 3,170,103	$ 4,161,523
Unused Commitments	509,265	371,034

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss due to changes in market values of assets and liabilities. We incur market risk in the ordinary course of business through exposures to market interest rates, equity prices, and credit spreads. We have identified interest rate risk as our primary source of market risk. Our primary business activities include gathering retail deposits, non-brokered rateboard time deposits, brokered CDs, and funding from the FHLB and other smaller facilities, which are used to invest in cash and loans. These activities involve interest rate risk, which arises from factors such as timing and volume differences in the repricing of our rate-sensitive assets and liabilities, changes in credit spreads, fluctuations in the general level of market interest rates, and shifts in the shape and level of market yield curves. Changes in interest rates can affect our current and prospective earnings, through volatility in our net interest income and the level of other interest rate-sensitive revenues and operating expenses. Interest rate fluctuations can also influence the underlying economic value of our assets, liabilities and off-balance sheet items. This is driven by the fact that the present values of future cash flows, and potentially the cash flows themselves, may change when interest rates materially move up or down depending on the economic environment.

Interest rate risk is generally considered a significant market risk for financial institutions. The Bank's Asset Liability Committee ("ALCO") establishes broad policy limits with respect to interest rate risk. We have established a system for monitoring our net interest rate sensitivity positions. Our ALCO meets monthly to monitor the level of interest rate risk sensitivity to ensure compliance with the risk and policy limits. Effective management of interest rate risk begins with understanding the dynamic characteristics of assets and liabilities and determining the appropriate interest rate risk posture given business forecasts, management objectives, market expectations, and policy constraints. However, it is important to note that despite these measures, significant changes in interest rates could potentially impact our earnings, liquidity and capital positions.

An asset sensitive position refers to a balance sheet position in which an increase in short-term interest rates is expected to generate higher net interest income, as rates earned on our interest-earning assets would reprice upward more quickly than rates paid on our interest-bearing liabilities, thus expanding our net interest margin. Conversely, a liability sensitive position refers to a balance sheet position in which an increase in short-term interest rates is expected to generate lower net interest income, as rates paid on our interest- bearing liabilities would reprice upward more quickly than rates earned on our interest-earning assets, thus compressing our net interest margin.

We use interest rate risk models and rate shock simulations to assess the interest rate risk ("IRR") sensitivity of net interest income and the economic value of equity ("EVE") over a variety of parallel and non-parallel rate scenarios. A number of assumptions are used to calculate the impact of interest rate fluctuations on our net interest income, including asset prepayment speeds, non-maturity deposit price sensitivity, and decay rates. Due to the inherent use of estimates and assumptions in the model, our actual results may, and most likely will, differ from our simulated results. Any key model or input changes are reported to ALCO monthly. Management engages a third-party to review its IRR assumptions on an annual basis. Key findings are presented to ALCO.

Potential changes to our net interest income in hypothetical rising and declining rate scenarios are calculated at September 30, 2026 and December 31, 2025 and are presented in the table below:

	Net Interest Income Sensitivity			
	12 Month Projection			
(Shock in basis points)	-200	-100	+100	+200
September 30, 2026	-7.99%	-3.92%	4.55%	8.99%
December 31, 2025	-7.71%	-3.80%	4.03%	8.13%

We also model the impact of interest rate changes on our EVE. We base the modeling of EVE on interest rate shocks as shocks are considered more appropriate for EVE, which accelerates future interest rate risk into current capital via a present value calculation of all future cash flows from our Bank's existing inventory of assets and liabilities. The results from our EVE modeling reflect only assets and liabilities that exist on our balance sheet in that period, and do not incorporate the large

increases to noninterest income we generate when industry residential loan originations are significantly higher. The results of the model are presented in the table below:

	Economic Value of Equity Sensitivity			
(Shock in basis points)	-200	-100	+100	+200
September 30, 2026	0.74%	0.26%	-0.79%	-2.04%
December 31, 2025	-0.90%	0.06%	-0.32%	-0.87%

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management was required to apply judgment in evaluating its controls and procedures. Based on their evaluation of the Company's disclosure controls and procedures as of September 30, 2026, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and regulations and are operating in an effective manner.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as such term is defined in 13a-15(f) and Rule 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2026, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

We are a party to various legal proceedings such as claims and lawsuits arising in the course of our normal business activities. Although the ultimate outcome of all claims and lawsuits outstanding as of September 30, 2026 cannot be ascertained at this time, it is the opinion of management that these matters, when resolved, will not have a material adverse effect on our business, results of operations or financial condition.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in "Part I – Item 1A – Risk Factors" of the Company's 2025 Form 10-K, which could materially affect its business, financial position, results of operations, cash flows, or future results. Please be aware that these risks may change over time and other risks may prove to be important in the future. New risks may emerge at any time, and we cannot predict such risks or estimate the extent to which they may affect our business, financial condition or results of operations, or the trading price of our securities.

Our exit from our distributed retail and consumer direct mortgage origination channels may adversely affect our business, financial condition, results of operations, and customer relationships.

As part of our business strategy, we may reduce or discontinue certain lending products or business channels. These actions could result in lower loan production, reduced interest income, decreased fee revenue, and a decline in market share. We may also incur losses associated with the sale, transfer, or runoff of related loan portfolios. Moreover, customers affected by these strategic decisions may choose to move other banking relationships to competitors, resulting in deposit attrition and reduced cross-selling opportunities.

On October 26, 2026, we entered into a definitive agreement with CMG regarding the planned sale of our distributed retail and consumer direct mortgage origination channels (the "Proposed Transaction"). The Proposed Transaction is subject to customary closing conditions, and there can be no assurance that we will be able to successfully complete the Proposed Transaction on the anticipated terms or timeline, or at all.

In connection with the Proposed Transaction and our exit from these mortgage origination channels, we expect to incur restructuring and other transaction-related charges and anticipate realizing significant annualized expense savings. Our estimates regarding the amount and timing of restructuring charges and anticipated expense savings are based on assumptions and expectations that are subject to significant uncertainties. Actual restructuring, severance, retention, transition and other transaction-related costs could exceed our current estimates, and anticipated expense savings may be less than expected, may take longer to realize than anticipated, or may not be realized at all. We may also incur additional or unexpected costs, liabilities or operational disruptions in connection with the Proposed Transaction or our exit from these channels.

If the Proposed Transaction is not completed, we may pursue a wind-down or other strategic alternative for these mortgage origination channels, which could result in additional costs, delays, operational disruptions, customer or employee attrition, or other adverse consequences. Even if the Proposed Transaction is completed as anticipated, we may experience lower mortgage origination volumes, interest income or fee revenue, and the exit could adversely affect other aspects of our mortgage banking business or relationships with customers and referral partners.

There can be no assurance that the expected risk reduction, capital benefits, expense savings, or profitability improvements associated with these actions will be achieved in the amounts or within the time periods anticipated, or at all. If we are unable to effectively manage the transition or redeploy resources into alternative growth opportunities, our business, financial condition, and results of operations may be adversely affected.

There are no other material changes during the period covered by this Report to the risk factors previously disclosed in the Company's 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

The Company made no unregistered sales of equity securities during the quarter ended September 30, 2026.

Issuer Purchases of Equity Securities

The following table provides information regarding the Company's purchase of its own common stock during the third quarter of 2026. The Company had no publicly announced repurchase plans or programs during the quarter ended September 30, 2026. On October 26, 2026, the Company announced that its Board of Directors authorized a new common stock repurchase program at its meeting held on October 22, 2026. The program authorizes the Company to repurchase up to $30 million of its outstanding common stock and will expire on October 22, 2027.

Northpointe Bancshares, Inc. Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (dollars in 000s)
July 1 - July 31, 2026	—	$ —	—	$ —
August 1 - August 31, 2026	—	—	—	—
September 1 - September 30, 2026	—	—	—	—
Total for Third Quarter ended September 30, 2026	—	$ —	—	$ —

Item 3. Defaults Upon Senior Securities
Not applicable.

Item 4. Mine Safety Disclosures
Not applicable.

Item 5. Other Information

During the third quarter of 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as that term is defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits

List of Exhibits

Number	Description
3.1	Amended and Restated Articles of Incorporation. Previously filed with the Commission on February 7, 2025 in Northpointe Bancshares, Inc's Form S-1, Exhibit 3.1. Here incorporated by reference.
3.2	Amended and Restated Bylaws. Previously filed with the Commission on February 7, 2025 in Northpointe Bancshares, Inc.'s Form S-1, Exhibit 3.2. Here incorporated by reference.
10.1	Employment Agreement, effective September 14, 2026, by and between Northpointe Bancshares, Inc., Northpointe Bank and Joseph B. Long. Previously filed with the Commission on August 28, 2026 in Northpointe Bancshares, Inc.'s Form 8-K, Exhibit 10.1. Here incorporated by reference.
31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32.1	Certification pursuant to 18 U.S.C. § 1350
101	Interactive Data File
104	Cover Page Interactive Data File (formatted as inline XBRL and included in Exhibit 101)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NORTHPOINTE BANCSHARES, INC.

By: /s/ Charles A. Williams
Charles A. Williams
Chairman and Chief Executive Officer

By: /s/ Kevin J. Comps
Kevin J. Comps
President

By: /s/ Bradley T. Howes
Bradley T. Howes
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

By: /s/ Gary Dykstra
Gary Dykstra
Senior Vice President and Controller
(Principal Accounting Officer)

Date: November 12, 2026

EXHIBIT 31.1

Certification Pursuant to Section 302 of
the Sarbanes-Oxley Act of 2002

I, Charles A. Williams, certify that:

1. I have reviewed this report on Form 10-Q of Northpointe Bancshares, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2026

/s/ Charles A. Williams
Charles A. Williams
Chairman and Chief Executive Officer

EXHIBIT 31.2

Certification Pursuant to Section 302 of
the Sarbanes-Oxley Act of 2002

I, Bradley T. Howes, certify that:

1. I have reviewed this report on Form 10-Q of Northpointe Bancshares, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2026

/s/ Bradley T. Howes
Bradley T. Howes
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

Pursuant to 18 U.S.C. § 1350, each of the undersigned hereby certifies in his capacity as an officer of Northpointe Bancshares, Inc. (the "Company") that the Quarterly Report of the Company on Form 10-Q for the quarter ended September 30, 2026 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition of the Company at the end of such period and the results of operations of the Company for such period.

/s/ Charles A. Williams
Charles A. Williams
Chairman and Chief Executive Officer

/s/ Bradley T. Howes
Bradley T. Howes
Executive Vice President and Chief Financial Officer

Date: November 12, 2026

This certification “accompanies” the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q, irrespective of any general incorporation contained in such filing.)