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 March 31, 2025

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 May 15, 2025, there were 34,364,659 shares of the registrant's Common Stock outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the financial services industry, the economy, and Northpointe Bancshares, Inc (“Northpointe” or the “Company”). 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. These statements include, among others, those related to future levels of earning assets, future composition of our loan portfolio, trends in credit quality metrics, future capital levels and capital needs, real estate valuation, future levels of repossessed and foreclosed properties and nonperforming assets, future levels of losses and costs associated with the administration and disposition of repossessed and foreclosed properties and nonperforming assets, future levels of loan charge-offs, future levels of other real estate owned, future levels of provisions for credit losses and reserve recoveries, the rate of asset dispositions, future dividends, future growth and funding sources, future cost of funds, future liquidity levels, future profitability levels, future interest rate levels, future net interest margin levels, the effects on earnings of changes in interest rates, future economic conditions, future effects of new or changed accounting standards, future loss recoveries, loan demand and loan growth, future amounts of unrecognized tax benefits and the future level of other revenue sources. Management's determination of the provision and allowance for credit losses, the appropriate carrying value of intangible assets (including deferred tax assets) and other real estate owned, and the fair value of investment securities involves judgments that are inherently forward-looking. All statements with references to future time periods are forward-looking. All of the information concerning interest rate sensitivity is forward-looking. Our ability to sell other real estate owned at its carrying value or at all, successfully implement new programs and initiatives, increase efficiencies, maintain our current levels of deposits and other sources of funding, maintain liquidity, respond to declines in collateral values and credit quality, respond to a changing interest rate environment, increase loan volume, originate high quality loans, maintain or improve mortgage banking income, realize the benefit of our deferred tax assets, continue payment of dividends and improve profitability is not entirely within our control and is not assured. The future effect of changes in the real estate, financial and credit markets and the national and regional economy on the banking industry, generally, and Northpointe Bancshares, Inc., specifically, are also inherently uncertain.

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, 2024 (the “2024 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 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 elsewhere in in the 2024 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, 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;

- uncertainties surrounding geopolitical events, trade policy, taxation policy, and monetary policy which continue to impact the outlook for future economic growth, including U.S. imposition of tariffs and consideration of responsive actions by the impacted nations and/or the expansion of import fees and tariffs among a larger group of nations, which is bringing greater ambiguity to the outlook for future economic growth;
- 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, which can affect, among other things, the value of collateral securing mortgage loans, mortgage loan originations and delinquencies, profits on sales of mortgage loans, and the value of mortgage servicing rights;
- credit and lending risks associated with our loan portfolios;
- 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, 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 and 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;
- our ability to successfully execute our business strategy to achieve profitable growth;
- 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;
- 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 proceeding against us or to which we may become subject to and the potential effect of our reputation;
- the impact of recent and future legislative and regulatory changes;
- the potential implementation of a regulatory reform agenda under the current presidential administration that is significantly different than that of the prior administration, impacting rulemaking, supervision, examination and enforcement priorities of the federal banking agencies;
- examinations by our regulatory authorities;
- 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 development of generative artificial intelligence, 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;
- the impact of any claims or legal actions to which we may be subject, including any effect on our reputation;
- 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;

- risks related to diversity, equity and inclusion (“DEI”) and environmental, social and governance ("ESG") strategies and initiatives, the scope and pace of which could alter the Company’s reputation and stockholder, associate, customer and third-party affiliations or result in litigation in connection with anti-DEI and anti-ESG laws, rules or activism;
- 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 2024 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 should not rely on any forward looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. 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 review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Northpointe Bancshares, Inc.

Item 1. Financial Statements

Consolidated Balance Sheets
March 31, 2025 and December 31, 2024
(unaudited)
(Dollars in thousands)

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$ 321,499	$ 376,295
Equity securities	1,325	1,305
Debt securities available for sale	8,594	8,576
Federal Home Loan Bank ("FHLB") stock	69,574	69,574
Loans held for sale, at fair value	207,633	217,073
Total loans ($174,348 and $172,960 at fair value at March 31, 2025 and December 31, 2024, respectively)	5,147,170	4,427,754
Allowance for credit losses	(12,315)	(11,190)
Net loans	5,134,855	4,416,564
Mortgage servicing rights	15,492	15,133
Intangible assets, net	1,953	2,099
Premises and equipment	26,952	27,292
Other assets	71,778	90,100
Total Assets	**$ 5,859,655**	**$ 5,224,011**
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	$ 232,571	$ 208,938
Interest-bearing	3,590,051	3,213,617
Total deposits	3,822,622	3,422,555
Borrowings	1,371,158	1,258,750
Subordinated debentures	24,159	38,933
Subordinated debentures issued through trusts	5,000	5,000
Deferred tax liability	2,930	3,477
Other liabilities	47,264	32,806
Total Liabilities	5,273,133	4,761,521
Stockholders' Equity		
Preferred Stock Non-Cumulative - No Par Value; 5,000,000 shares authorized		
Series A - 77,000 shares issued and outstanding at March 31, 2025 with a liquidation preference of $77,000 and 82,000 shares issued and outstanding at December 31, 2024 with a liquidation preference of $82,000		
Series B - 25,000 shares issued and outstanding at March 31, 2025 and December 31, 2024 with a liquidation preference of $25,000		
Common Stock - No Par Value		
Authorized - 101,500,000; shares issued and outstanding - 34,315,099 and 25,684,560 shares at March 31, 2025 and December 31, 2024, respectively		
Additional paid in capital	276,465	166,847
Retained earnings	310,367	295,967
Accumulated other comprehensive loss	(310)	(324)
Total Stockholders' Equity	586,522	462,490
Total Liabilities and Stockholders' Equity	**$ 5,859,655**	**$ 5,224,011**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Income
Three Months Ended March 31, 2025 and 2024
(unaudited)

(Dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2025	2024
Interest Income		
Loans - including fees	$ 72,071	$ 64,896
Investment securities - taxable	1,783	1,665
Other	5,296	6,021
Total interest income	79,150	72,582
Interest Expense		
Deposits	36,310	33,531
Subordinated debentures	887	792
Borrowings	11,564	11,064
Total interest expense	48,761	45,387
Net interest income	30,389	27,195
Provision (benefit) for credit losses	1,295	(357)
Net interest income after provision (benefit) for credit losses	29,094	27,552
Noninterest income		
Service charges on deposits and other fees	180	508
Loan servicing fees	995	3,862
Mortgage Purchase Program ("MPP") fees	1,141	945
Net gain on sale of loans	18,587	11,352
Other noninterest income	1,970	(20)
Total noninterest income	22,873	16,647
Noninterest expense		
Salaries and employee benefits	20,443	18,020
Occupancy and equipment	972	1,295
Data processing expense	2,107	2,498
Professional fees	1,228	1,119
Other taxes and insurance	1,787	1,810
Other noninterest expense	2,835	3,242
Total noninterest expense	29,372	27,984
Income - before income taxes	22,595	16,215
Income tax expense	5,348	3,964
Net income	17,247	12,251
Preferred stock dividends	2,206	2,413
Net income available to common stockholders	**$ 15,041**	**$ 9,838**
Basic earnings per common share	**$ 0.50**	**$ 0.38**
Diluted earnings per share	**$ 0.49**	**$ 0.38**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Comprehensive Income
Three Months Ended March 31, 2025 and 2024
(unaudited)
(Dollars in thousands)

	Three Months Ended March 31,	
	2025	2024
Net income	$ 17,247	$ 12,251
Other comprehensive income		
Change in unrealized loss on securities, net of tax of $4 and $9 at March 31, 2025 and 2024, respectively	14	18
Total other comprehensive income	14	18
Comprehensive income	**$ 17,261**	**$ 12,269**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Changes in Stockholders' Equity
Three Months Ended March 31, 2025 and 2024
(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 - January 1, 2024	**95,000**	**25,000**	**25,689,560**	**$ 180,046**	**$ 251,375**	**$ (801)**	**$ 430,620**
Net income	—	—	—	—	12,251	—	12,251
Other comprehensive income	—	—	—	—	—	18	18
Dividends declared ($0.025 per share)	—	—	—	—	(643)	—	(643)
Treasury stock - repurchase	—	—	—	—	—	—	—
Preferred stock dividends	—	—	—	—	(2,413)	—	(2,413)
Balance - March 31, 2024	**95,000**	**25,000**	**25,689,560**	**$ 180,046**	**$ 260,570**	**$ (783)**	**$ 439,833**
Balance - January 1, 2025	**82,000**	**25,000**	**25,684,560**	**$ 166,847**	**$ 295,967**	**$ (324)**	**$ 462,490**
Net income	—	—	—	—	17,247	—	17,247
Other comprehensive income	—	—	—	—	—	14	14
Dividends declared ($0.025 per share)	—	—	—	—	(641)	—	(641)
Preferred stock - repurchase	(5,000)	—	—	(4,840)	—	—	(4,840)
Issuance of common stock, net	—	—	8,621,539	114,444	—	—	114,444
Stock options exercised	—	—	9,000	14	—	—	14
Preferred stock dividends	—	—	—	—	(2,206)	—	(2,206)
Balance - March 31, 2025	**77,000**	**25,000**	**34,315,099**	**$ 276,465**	**$ 310,367**	**$ (310)**	**$ 586,522**

See notes to consolidated financial statements.

Northpointe Bancshares, Inc.

Consolidated Statements of Cash Flows
Three Months Ended March 31, 2025 and 2024
(unaudited)
(Dollars in thousands)

	Three Months Ended March 31,	
	2025	2024
Cash Flows from Operating Activities		
Net Income	$ 17,247	$ 12,251
Adjustments to reconcile consolidated net income to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	662	736
Provision (benefit) for credit losses	1,295	(357)
Amortization of intangible asset	146	243
Amortization of debt issuance costs	226	30
Net gain on sale of loans	(18,587)	(11,352)
Proceeds from sales of loans held for sale	444,893	366,470
Origination of mortgage loans held for sale	(420,710)	(376,218)
Net loss (gain) on sales of other real estate	82	—
Net gain on extinguishment of debt	(2,048)	—
Change in fair value of mortgage servicing rights ("MSR")	707	1,808
Deferred tax expense	(551)	—
Change in fair value of equity securities	(20)	14
Change in mortgage banking derivatives	(560)	(3,182)
Net change in:		
Other assets	17,951	3,621
Other liabilities	13,691	4,997
Net cash and cash equivalents provided by (used in) operating activities	54,424	(939)
Cash Flows from Investing Activities		
Purchase of FHLB stock	—	(2,087)
Proceeds from sale of available for sale debt securities	—	5,804
Proceeds from sales of other real estate	2,075	—
Purchases of premises and equipment	(322)	(557)
Net increase in loans	(717,495)	(193,915)
Contributions from Lender Risk Account	(400)	(210)
Proceeds from Lender Risk Account	628	2,320
Net cash and cash equivalents used in investing activities	(715,514)	(188,645)
Cash Flows from Financing Activities		
Net change in deposits	400,067	(10,917)
Cash dividends paid on common stock	(641)	(643)
Subordinated debt call and repayment	(15,000)	—
Advances of FHLB borrowings	80,000	50,000
Repayment of FHLB borrowings	(100,452)	—
Net change in other borrowings	134,908	46,422
Issuance of common stock, net	114,444	—
Preferred stock dividend	(2,206)	(2,413)
Preferred stock repurchase	(4,840)	—
Proceeds from exercised stock options	14	—
Net cash and cash equivalents provided by financing activities	606,294	82,449
Net decrease in cash and cash equivalents	(54,796)	(107,135)
Cash and cash equivalents - beginning of year	376,295	351,890
Cash and cash equivalents - end of year	**$ 321,499**	**$ 244,755**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows (Continued)
Three Months Ended March 31, 2025 and 2024
(unaudited)
(Dollars in thousands)

	Three Months Ended March 31,	
Supplemental cash flow information	2025	2024
Cash paid for:		
Interest	$ 41,720	$ 44,496
Income taxes	93	52
Non-cash supplemental information:		
Rebooked GNMA loans over 90 days	232	9,934
Loans transferred to other real estate	—	2,120
Loans transferred from loans held for sale to loans	2,181	10,068

Notes to Consolidated Financial Statements (unaudited)

Note 1 — Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of Northpointe Bancshares, Inc. and its wholly owned subsidiary, Northpointe Bank. All significant intercompany balances and transactions have been eliminated in consolidation. The accompanying Unaudited Consolidated Financial Statements as of March 31, 2025 and for the three months ended March 31, 2025 and 2024 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, 2024. 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 only 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 real estate lending, including the origination and sale of 1 – 4 family real estate mortgages to the secondary market to Government Sponsored Entities (“GSEs”).

Change in Presentation due to Stock Split

On December 19, 2024, the stockholders approved a 10-for-1 stock split whereby each holder of common stock received nine additional shares of common stock for each share owned as of the record date of December 19, 2024. Such shares were distributed on December 30, 2024. All share and per share amounts set forth in the consolidated financial statements of the Company have been retroactively restated to reflect the stock split as if it had occurred as of the earliest period presented.

Reclassifications

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

Mortgage Purchase Program (“MPP”)

Our Mortgage Purchase Program business (which we refer to as Mortgage Purchase Program, or “MPP”), 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 and during a relatively short period (typically less than 30 days), the originated loans are sold into the secondary market via government agencies (Fannie Mae, Freddie Mac or Ginnie Mae) or institutional investors (banks, large mortgage companies, insurance companies, mortgage REIT’s) or are securitized.

The Company, from time to time, 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 and or credit losses in the Company’s MPP business during the three months ended March 31, 2025 or 2024.

Note 1 — Summary of Significant Accounting Policies (continued)

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 March 31, 2025 and December 31, 2024, the Bank had outstanding balances on these facilities of $29.5 million and $31.4 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

A Lender Risk Account ("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 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 March 31, 2025 and December 31, 2024, the Company had on deposit with the FHLB $55.0 million and $54.7 million, respectively, in these LRAs. Additionally, as of March 31, 2025 and December 31, 2024, the Company estimated the guaranty account, which is recorded in other liabilities in the Company's Consolidated Balance Sheets, to be $4.2 million and $3.9 million, respectively. The Company carries the LRA asset at fair value in the Company's Consolidated Balance Sheets in other assets with changes in the fair value included in the consolidated statements of income with net gain on sale of loans. The fair value of the LRA was $29.0 million and $28.4 million at March 31, 2025 and December 31, 2024, respectively. See Note 17 for a description of the methods and assumptions used to determine fair value at March 31, 2025 and December 31, 2024.

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, and any deferred fees or costs on originated 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 $21.2 million and $20.8 million as of March 31, 2025 and December 31, 2024, 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 is 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.

Note 1 — Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses (“Allowance”)

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, which makes up substantially all held-for-investment loans. 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 and land development, home equity loans, and closed end, first and second liens. 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 March 31, 2025 and December 31, 2024, the Moody’s Baseline March 2025 and December 2024 U.S. Macroeconomic Outlook, respectively, was utilized.

For the majority of the commercial loan portfolio, a discounted cash flow methodology adjusted for peer group benchmarks on probability of default, prepayment speeds, and curtailment rate is used. For MPP, as the Company has not experienced any losses, the accumulated expected credit losses are currently derived based on qualitative factors described below. Within these portfolios, 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 solely from the collateral.

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 analyzed 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.

Note 1 — Summary of Significant Accounting Policies (continued)

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. 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.

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: The Company has developed a program whereby it provides advances to pre-approved mortgage banking clients. 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.

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 letters of credit commitments as of March 31, 2025 and December 31, 2024.

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 March 31, 2025 and December 31, 2024 was approximately $873,000 and $3.0 million, respectively. The Company had real estate in the process of foreclosure totaling $6.7 million as of March 31, 2025 and $2.2 million as of December 31, 2024.

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 right of use assets and lease liabilities were $1.3 million and $1.3 million, respectively, at March 31, 2025 and were $1.5 million and $1.5 million at December 31, 2024, respectively. Right of use assets are included in other assets and lease liabilities are include in other liabilities in the Company's Consolidated Balance Sheets.

Use of Estimates

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, 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, mortgage servicing rights, and the lender risk account.

Repurchase Reserve

The Company sells residential mortgage loans to investors in the normal 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 $2.5 million and $2.6 million as of March 31, 2025 and December 31, 2024, respectively, and is included in other liabilities on the consolidated balance sheet.

Initial Public Offering

On February 13, 2025, the Company completed an initial public offering of its common stock, resulting in the issuance of 8,620,000 new shares of common stock and proceeds of $114.4 million, net of offering expenses.

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.

New Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, "Income Taxes: Improvement to Income Tax Disclosures (Topic 740)." This ASU requires entities to disclose specific categories in the rate reconciliations and provide additional information for reconciling items that meet a quantitative threshold. The ASU requires all entities to disclose the amount of income taxes paid, disaggregated by federal state and foreign taxes, the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal or greater than 5% of total income taxes paid. The ASU also requires that entities disclose income (loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic or foreign and income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. This ASU is effective for annual periods beginning after December 15, 2024. The adoption of this ASU did not have a material impact on the Consolidated Financial Statements or related income tax footnotes.

Note 1 — Summary of Significant Accounting Policies (continued)

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.

Subsequent Events

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

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):

		Gross Unrealized		
March 31, 2025	**Amortized Cost**	**Gains**	**Losses**	**Fair Value**
Debt securities available for sale				
Subordinated corporate bonds	$ 9,000	$ —	$ (406)	$ 8,594
Total	$ 9,000	$ —	$ (406)	$ 8,594

		Gross Unrealized		
December 31, 2024	**Amortized Cost**	**Gains**	**Losses**	**Fair Value**
Debt securities available for sale				
Subordinated corporate bonds	$ 9,000	$ —	$ (424)	$ 8,576
Total	$ 9,000	$ —	$ (424)	$ 8,576

As of March 31, 2025 and December 31, 2024, 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 months ended March 31, 2025. Proceeds from the sale of debt securities available for sale were $5.8 million in the three months ended March 31, 2024, resulting in a gain of $0.

The following tables show investments with gross unrealized losses and their market value aggregate 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	
March 31, 2025	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Debt securities available for sale						
Subordinated corporate bond	$ —	$ —	$ 8,594	$ (406)	$ 8,594	$ (406)
Total	$ —	$ —	$ 8,594	$ (406)	$ 8,594	$ (406)

	Less Than 12 Months		12 Months or More		Total	
December 31, 2024	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**	**Fair Value**	**Unrealized Loss**
Debt securities available for sale						
Subordinated corporate bond	$ —	$ —	$ 8,576	$ (424)	$ 8,576	$ (424)
Total	$ —	$ —	$ 8,576	$ (424)	$ 8,576	$ (424)

Debt securities, at par value, have the following contractual maturities as of March 31, 2025 (dollars in thousands):

March 31, 2025	**Within 1 Year**	**1 - 5 Years**	**5 - 10 Years**	**Greater than 10 years**	**Total**
Debt securities available for sale					
Subordinated corporate bond	$ —	$ —	$ 9,000	$ —	$ 9,000
Total	$ —	$ —	$ 9,000	$ —	$ 9,000

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):

	March 31, 2025	December 31, 2024
Residential	$ 2,669,498	$ 2,699,890
Commercial	900	8,013
MPP	2,468,212	1,710,820
Total loans	5,138,610	4,418,723
Less:		
Allowance for credit losses	12,315	11,190
Net deferred loan (cost)/fees	(8,560)	(9,031)
Net loans	$ 5,134,855	$ 4,416,564

The residential mortgage loan portfolio includes $174.3 million and $173.0 million of loans measured at fair value on March 31, 2025 and December 31, 2024, respectively.

Activity in the allowance for credit losses for the three months ended March 31, 2025 is summarized as follows (dollars in thousands):

	Three Months Ended March 31, 2025				
	Residential	Commercial	MPP	Unallocated	Total
Beginning balance	$ 10,468	$ 32	$ 684	$ 6	$ 11,190
Charge-offs	(311)	—	—	—	(311)
Recoveries	48	4	—	—	52
Provision (benefit)	1,116	(32)	303	(3)	1,384
Ending balance	$ 11,321	$ 4	$ 987	$ 3	$ 12,315

Activity in the allowance for loan losses for the three months ended March 31, 2024 is summarized as follows (dollars in thousands):

	Three Months Ended March 31, 2024				
	Residential	Commercial	MPP	Unallocated	Total
Beginning balance	$ 11,742	$ 51	$ 458	$ 44	$ 12,295
Charge-offs	(434)	—	—	—	(434)
Recoveries	428	15	—	—	443
Provision (benefit)	352	(58)	76	(39)	331
Ending balance	$ 12,088	$ 8	$ 534	$ 5	$ 12,635

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 held for investment portfolio, excluding those loans carried at fair value, as of March 31, 2025 (dollars in thousands):

	March 31, 2025				
	Nonaccrual with No Allowance	Nonaccrual with Allowance	Total Nonaccrual	Over 90 days Accruing	Total
Residential:					
Construction and land development	$ 2,770	$ 1,283	$ 4,053	$ 2,430	$ 6,483
Home equity lines of credit	10,024	1,906	11,930	289	12,219
Closed end, first liens	36,306	13,056	49,362	5,190	54,552
Closed end, second liens	456	1,121	1,577	608	2,185
Total	$ 49,556	$ 17,366	$ 66,922	$ 8,517	$ 75,439

The following table presents the amortized cost basis of loans on nonaccrual status and loans past due over 90 days still accruing in the held for investment portfolio, excluding those loans carried at fair value, as of December 31, 2024 (dollars in thousands):

	December 31, 2024				
	Nonaccrual with No Allowance	Nonaccrual with Allowance	Total Nonaccrual	Over 90 days Accruing	Total
Residential:					
Construction and land development	$ 2,583	$ 1,650	$ 4,233	$ —	$ 4,233
Home equity lines of credit	8,420	2,387	10,807	200	11,007
Closed end, first liens	36,192	11,514	47,706	4,020	51,726
Closed end, second liens	287	1,247	1,534	31	1,565
Total	$ 47,482	$ 16,798	$ 64,280	$ 4,251	$ 68,531

The Bank has not recognized any material interest income on nonaccrual loans during the three months ended March 31, 2025 or 2024.

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 March 31, 2025 and December 31, 2024 was as follows (dollars in thousands):

	March 31, 2025		
	Collateral Type		
	Real Estate	Other	Allowance Allocated
Residential:			
Construction and land development	$ 3,005	$ —	$ 93
Home equity lines of credit	10,736	—	69
Closed end, first liens	45,867	—	301
Closed end, second liens	629	—	114
Total	$ 60,237	$ —	$ 577

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

	December 31, 2024		
	Collateral Type		
	Real Estate	Other	Allowance Allocated
Residential:			
Construction and land development	$ 3,066	$ —	$ 4
Home equity lines of credit	9,748	—	40
Closed end, first liens	45,340	—	341
Closed end, second liens	469	—	114
Commercial	118	$ —	—
Total	$ 58,741	$ —	$ 499

Age Analysis of Loans

The following tables detail the age analysis of loans, excluding those loans carried at fair value, at March 31, 2025 and December 31, 2024 (dollars in thousands):

	March 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	$ 5,048	$ 5,040	$ 5,434	$ 15,522	$ 182,374	$ 197,896
Home equity lines of credit	5,986	3,320	6,963	16,269	723,096	739,365
Closed end, first liens	21,493	8,220	35,270	64,983	1,420,717	1,485,700
Closed end, second liens	3,770	347	1,076	5,193	75,555	80,748
Commercial	—	74	119	193	707	900
MPP	—	—	—	—	2,468,212	2,468,212
Total	$ 36,297	$ 17,001	$ 48,862	$ 102,160	$ 4,870,661	$ 4,972,821

	December 31, 2024					
	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	$ 3,321	$ 847	$ 2,935	$ 7,103	$ 209,853	$ 216,956
Home equity lines of credit	4,161	1,826	8,639	14,626	696,541	711,167
Closed end, first liens	26,555	6,412	33,766	66,733	1,459,810	1,526,543
Closed end, second liens	716	667	435	1,818	79,478	81,296
Commercial	79	—	118	197	7,816	8,013
MPP	—	—	—	—	1,710,820	1,710,820
Total	$ 34,832	$ 9,752	$ 45,893	$ 90,477	$ 4,164,318	$ 4,254,795

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

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 March 31, 2025, there were $2.6 million in loans that were both experiencing financial difficulty and modified during the period: 8 closed end, first liens, for $2.3 million and 1 home equity line of credit for $249,000. These loans were a combination of term extensions and interest rate reductions and were on nonaccrual status at time of modification. During the three months ended March 31, 2024, there were $2.2 million in loans that were both experiencing financial difficulty and modified during the period: 5 closed end, first lien loans for $2.2 million. These loans were a combination of term extension and interest rate reduction. During the three months ended March 31, 2025, all closed end, first liens loans and home equity line of credits were on nonaccrual status at time of modification. 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 three months ended March 31, 2025 and 2024.

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 March 31, 2025 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	$ 1,070	$ 14,350	$ 52,278	$ 66,996	$ 36,379	$ 22,770	$ —	$ 193,843
Nonperforming	—	—	1,479	2,242	181	151	—	4,053
Total	1,070	14,350	53,757	69,238	36,560	22,921	—	197,896
Gross charge-offs	—	—	—	—	—	—	—	—
Home equity lines of credit:								
Performing	—	—	—	—	—	—	727,435	727,435
Nonperforming	—	—	—	—	—	—	11,930	11,930
Total	—	—	—	—	—	—	739,365	739,365
Gross charge-offs	—	—	40	—	—	—	—	40
First liens, closed end loans:								
Performing	3,504	30,195	89,364	1,048,008	153,044	112,223	—	1,436,338
Nonperforming	—	2,244	5,776	31,038	3,004	7,300	—	49,362
Total	3,504	32,439	95,140	1,079,046	156,048	119,523	—	1,485,700
Gross charge-offs	—	—	—	221	—	—	—	221
Second liens, closed end loans:								
Performing	1,068	5,088	15,016	33,535	8,406	16,058	—	79,171
Nonperforming	—	—	705	559	58	255	—	1,577
Total	1,068	5,088	15,721	34,094	8,464	16,313	—	80,748
Gross charge-offs	—	—	50	—	—	—	—	50
Commercial: Risk Rating								
Pass	—	—	—	—	—	591	234	825
Special mention	—	—	—	—	—	75	—	75
Total	—	—	—	—	—	666	234	900
Gross charge-offs	—	—	—	—	—	—	—	—
MPP: Risk Rating								
Pass	—	—	—	—	—	—	2,468,212	2,468,212
Special mention	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	2,468,212	2,468,212
Gross charge-offs	—	—	—	—	—	—	—	—
Grand total	$ 5,642	$ 51,877	$ 164,618	$ 1,182,378	$ 201,072	$ 159,423	$ 3,207,811	$ 4,972,821
Grand total gross charge-offs	$ —	$ —	$ 90	$ 221	$ —	$ —	$ —	$ 311

There were no revolving loans converted to term loans during the three months ended March 31, 2025.

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, 2024 based on year of origination (dollars in thousands):

	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Total
Construction and land development								
Performing	$ 15,270	$ 64,713	$ 70,314	$ 38,369	$ 13,447	$ 10,610	$ —	$ 212,[illegible]
Nonperforming	—	1,893	2,012	181	—	147	—	4,[illegible]
Total	15,270	66,606	72,326	38,550	13,447	10,757	—	216,[illegible]
Gross charge-offs	—	268	638	—	—	—	—	[illegible]
Home equity lines of credit:								
Performing	—	—	—	—	—	—	700,360	700,[illegible]
Nonperforming	—	—	—	—	—	—	10,807	10,[illegible]
Total	—	—	—	—	—	—	711,167	711,[illegible]
Gross charge-offs	—	126	598	486	—	8	—	1,[illegible]
First liens, closed end loans:								
Performing	55,893	95,908	1,055,560	157,222	42,292	71,962	—	1,478,[illegible]
Nonperforming	839	5,274	30,919	3,286	2,855	4,533	—	47,[illegible]
Total	56,732	101,182	1,086,479	160,508	45,147	76,495	—	1,526,[illegible]
Gross charge-offs	—	22	73	—	16	59	—	[illegible]
Second liens, closed end loans:								
Performing	5,235	15,683	32,903	8,492	8,503	8,946	—	79,[illegible]
Nonperforming	—	681	541	59	—	253	—	1,[illegible]
Total	5,235	16,364	33,444	8,551	8,503	9,199	—	81,[illegible]
Gross charge-offs	—	152	147	—	—	—	—	[illegible]
Commercial: Risk Rating								
Pass	—	—	—	—	—	618	7,308	7,[illegible]
Special mention	—	—	—	—	—	87	—	[illegible]
Total	—	—	—	—	—	705	7,308	8,[illegible]
Gross charge-offs	—	—	—	—	—	—	—	[illegible]
MPP: Risk Rating								
Pass	—	—	—	—	—	—	1,710,820	1,710,[illegible]
Special mention	—	—	—	—	—	—	—	[illegible]
Total	—	—	—	—	—	—	1,710,820	1,710,[illegible]
Gross charge-offs	—	—	—	—	—	—	—	[illegible]
Grand total	$ 77,237	$ 184,152	$ 1,192,249	$ 207,609	$ 67,097	$ 97,156	$ 2,429,295	$ 4,254,[illegible]
Grand total gross charge-offs	$ —	$ 568	$ 1,456	$ 486	$ 16	$ 67	$ —	$ 2,[illegible]

There were no revolving loans converted to term loans during 2024.

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):

	March 31, 2025	December 31, 2024
Land	$ 6,325	$ 6,325
Leasehold improvements	163	163
Buildings and building improvements	24,673	24,673
Furniture, fixtures, and equipment	10,483	10,414
Construction in progress	253	—
Total cost	41,897	41,575
Accumulated depreciation	(14,945)	(14,283)
Net	$ 26,952	$ 27,292

Depreciation expense for the three months ended March 31, 2025 and 2024 amounted to $662,000 and $736,000, respectively.

Future undiscounted lease payments for operating leases with initial terms of one year of more as of March 31, 2025 are as follows (dollars in thousands):

2025	$ 591
2026	460
2027	208
2028	57
2029	32
Total undiscounted lease payments	1,348
Less discount to net present value	(49)
Total operating lease liabilities	$ 1,299

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

The weighted average remaining discount rate was 3.49% and weighted average remaining life was 2.65 years for the three months ended March 31, 2025.

The leases contain options to extend for periods from 3 to 4 years. The cost of such rentals is not included above. Total rent expense for the three months ended March 31, 2025 and 2024 amounted to $306,000 and $572,000, respectively.

The Company also leases portions of its main office location to third parties. The amounts included in Occupancy and equipment expense are net of rental income of $289,000 and $286,000 for the three months ended March 31, 2025 and 2024, respectively.

Future income from non-cancelable lease agreements in effect at March 31, 2025 is as follows (dollars in thousands):

2025	$ 937
2026	1,181
2027	1,106
2028	713
2029	360
Thereafter	339
Total	$ 4,636

Note 5 — Mortgage Servicing Rights

The right to service loans for others is recognized as a mortgage servicing right ("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 mortgage loans and other loans serviced for others were approximately $1.5 billion and $1.3 billion at March 31, 2025 and December 31, 2024, respectively. In addition, approximately $2.2 billion and $3.0 billion at March 31, 2025 and December 31, 2024, 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	
	March 31, 2025	March 31, 2024
Contractual servicing fees	$ 1,682	$ 5,467
Late fees	17	182
Other fees	3	20
Change in fair value of MSRs	$ (707)	$ (1,808)
Total	$ 995	$ 3,861

At March 31, 2025 the fair value of mortgage servicing rights was determined using discount rates between 10.0% and 12.0%, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 10.2%. At December 31, 2024 the fair value of mortgage servicing rights was determined using discount rates between 10.0% and 12.0%, average cost of servicing between $70 and $85 per file per year, and a prepayment speed of 9.7%.

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	
	March 31, 2025	March 31, 2024
Balance – Beginning of year	$ 15,133	$ 95,339
Additions	1,066	485
Paid in full loans	(128)	(840)
Change in fair value	(579)	(968)
Balance – End of year	$ 15,492	$ 94,016

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):

	March 31, 2025			December 31, 2024		
	Actual	10% Adverse Change	20% Adverse Change	Actual	10% Adverse Change	20% Adverse Change
Discount rate change	10.6 %	$ 14,846	$ 14,250	10.6 %	$ 14,493	$ 13,904
Constant prepayment rate	10.2 %	14,930	14,409	9.7 %	14,606	14,117
Cost to service (per loan)	$ 75	15,302	15,112	$ 75	14,947	14,761

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 $152.5 million and $110.6 million at March 31, 2025 and December 31, 2024, 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 gain/(loss) on derivative financial instruments at period end (dollars in thousands):

	March 31, 2025	December 31, 2024
Interest rate-lock commitments	$ 4,550	$ 2,047
Forward commitments	(743)	(1,201)

The following table provide details on the Company’s derivative financial instruments at March 31, 2025 and December 31, 2024 (dollars in thousands):

	March 31, 2025		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$ 214,878	$ 4,550	$ —
Forward commitments	242,674	31	774
Total	$ 457,552	$ 4,581	$ 774

	December 31, 2024		
	Notional Amount	Asset	Liability
Interest rate-lock commitments	$ 90,500	$ 2,064	$ 17
Forward commitments	202,441	1,332	131
Total	$ 292,941	$ 3,396	$ 148

As of March 31, 2025 and December 31, 2024, the Company did not have any counterparty collateral asset balances. As of March 31, 2025 and December 31, 2024, the counterparty collateral liability balance was $43,000 and was included in other liabilities in the consolidated balance sheets.

Note 7 — Deposits

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

	March 31, 2025	December 31, 2024
Noninterest-bearing deposits	$ 232,571	$ 208,938
Interest-bearing demand deposits	756,160	690,340
Savings and money market accounts	335,473	334,308
Time:		
Under $250,000	2,345,419	2,047,754

Note 7 — Deposits (continued)

$250,000 and over	152,999	141,215
Total	$ 3,822,622	$ 3,422,555

Brokered time deposits totaled $2.09 billion and $1.82 billion at March 31, 2025 and December 31, 2024, respectively.

At March 31, 2025, the scheduled maturities of time deposits are as follows (dollars in thousands):

2026	$ 2,284,646
2027	121,102
2028	19,526
2029	47,129
2030	25,617
Thereafter	398
Total	$ 2,498,418

Note 8 — Borrowings

The Bank has an advance agreement with the FHLB. At March 31, 2025, the Bank had 34 advances totaling $1.2 billion carrying a fixed interest rate ranging between 1.04% and 4.84% with scheduled maturities between 1 month and 8.9 years. The weighted average rate was 3.85% for the three months ended March 31, 2025. At December 31, 2024, the Bank had 34 advances totaling $1.3 billion carrying a fixed interest rate ranging between 1.04% and 4.84% with scheduled maturities between 4 months and 9.2 years. The weighted average rate was 3.83% at December 31, 2024.

The advances are collateralized by approximately $3.7 billion and $3.2 billion of mortgage loans and loans held for sale as of March 31, 2025 and December 31, 2024, respectively, under an agreement which calls for specific identification of pledged loans. Included in the above, advances totaling $10.0 million as of March 31, 2025 and December 31, 2024 are putable advances.

At March 31, 2025, the scheduled maturities of the advances are as follows (dollars in thousands):

2025	$ 223,750
2026	60,000
2027	275,000
2028	50,000
2029	227,500
Thereafter	400,000
Total	$ 1,236,250

In January 2025, the Bank executed an extinguishment of $102.5 million in FHLB advances, recognizing a $2.0 million gain on extinguishment as part of the Company's strategy to reduce its wholesale funding ratio.

The Bank also has a line of credit included under the collateral agreement mentioned above, allowing borrowing up to $50.0 million. The interest rate on the line of credit is a floating rate determined by the FHLB and the line of credit matured on May 10, 2025. The Bank had $44.9 million and $0 outstanding borrowings on the line of credit at March 31, 2025 and December 31, 2024, respectively. Also included in borrowings are overnight borrowing lines. These lines had a balance of $90.0 million and $0 at March 31, 2025 and December 31, 2024, respectively.

Note 9 — Subordinated Debentures

On September 28, 2018, the Bank issued $15.0 million of subordinated notes due October 1, 2028. The notes were redeemable on October 1, 2023. Interest payments were due April 1 and October 1 of each year at a fixed rate of 6.875% through October 1, 2023 and converted to a variable rate of the three-month LIBOR plus 3.765% with payments due quarterly

Note 9 — Subordinated Debentures (continued)

January 1, April 1, July 1, and October 1 of each year. The notes include fall back language to determine an alternative index rate calculation if the three-month LIBOR rate index is unavailable. The alternative index rate was the three-month CME Term SOFR plus 4.03%. All notes in this issuance were redeemed and repaid in January 2025.

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 9.0% through September 1, 2029 and convert to a variable rate of three month SOFR plus 5.50% with payments due quarterly.

As of March 31, 2025, maturities of subordinated debt were as follows (dollars in thousands):

2034	$	25,000
Total		25,000
Less unamortized deferred costs		841
Total maturities, net unamortized deferred costs	$	24,159

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, 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 rate of 7.25%, 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 rate of 8.25%, payable quarterly, in arrears. 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.

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 normal 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 March 31, 2025 and December 31, 2024, the following financial instruments were outstanding whose contract amounts represent credit risk (dollars in thousands):

	Contract Amount	
	March 31, 2025	December 31, 2024
Commitments to grant loans	$ 3,099,817	$ 2,407,551
Unfunded commitments under lines of credit	347,736	334,180

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.

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

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 $295,000 as of March 31, 2025 and $385,000 as of December 31, 2024.

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 normal course of business which, in the opinion of management, will have no material effect on the Company’s consolidated financial statements.

Note 12 — Employee Benefits

The Company sponsors a 401(K) plan which contains an employee stock ownership plan (“ESOP”) investment option. The 401(k) Plan is available to all employees, on the 1st 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 $372,000 and $48,000 for the three months ended March 31, 2025 and 2024, 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 per 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.

In connection with the Company’s initial public stock offering, all ESOP shares were converted into registered shares of Northpointe Bancshares, Inc. and moved from the ESOP to the 401k plan. The ESOP held 951,600 shares of the Company’s common stock at December 31, 2024. All shares have been allocated to participants. The fair value to repurchase the shares held at December 31, 2024 was approximately $13.7 million.

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 $175,000 (with no aggregate exposure limitation) at March 31, 2025. Losses in excess of the limitation are covered by reinsurance. Amounts expensed by the Company under the plan were approximately $1.1 million and $805,000 for the three months ended March 31, 2025 and 2024, respectively, recorded in salaries and employee benefits on the consolidated statement of income. The Company recorded an accrual of approximately $279,000 and $390,000 at March 31, 2025 and December 31, 2024, 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. No stock option expense was recorded for the three months ended March 31, 2025 and 2024. The stock option plan and stock appreciation rights plan are both legacy plans which the Company does not intend to issue any new shares under after 2024.

Note 13 — Stock Compensation Plans (continued)

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.

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.

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. There were no stock option grants in the three months ended March 31, 2025 or 2024.

A summary of option activity under the Plan for the three months ended March 31, 2025 is presented below:

Options	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at January 1, 2024	19,000	$ 2.00	0.6
Granted	—	—	
Exercised	(9,000)	(1.50)	
Forfeited or expired	—	—	
Outstanding at March 31, 2025	10,000	$ 2.50	0.8
Vested at March 31, 2025	10,000	$ 2.50	0.8

The total intrinsic value of the options exercised during the three months March 31, 2025 was approximately $116,000. No options were exercised in the three months ended March 31, 2024. The total intrinsic value of the options outstanding at March 31, 2025 and December 31, 2024 was approximately $119,000 and $236,000, respectively.

As of March 31, 2025 and 2024, 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 three months ended March 31, 2025 is as follows:

Stock Appreciation Right Awards	Number of Shares	Weighted Average Exercise Price
Non-vested at January 1, 2025	545,000	$ 11.00
Granted	—	—
Exercised	—	—
Forfeited or expired	—	—
Outstanding at March 31, 2025	545,000	$ 11.00

Note 13 — Stock Compensation Plans (continued)

The Company also has a restricted stock award plan which was implemented during 2024. Restricted stock awards generally have vesting periods of three years with vesting at the rate of one-third each 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 three months ended March 31, 2025 follows (dollars in thousands for aggregate intrinsic value):

Nonvested Stock Awards	Number of Shares	Weighted Average Grant-Date Fair Value	Aggregate Intrinsic Value
Outstanding at January 1, 2025	849,530	$14.40	$ 12,233
Granted	—	—	—
Exercised	—	—	—
Forfeited or expired	—	—	—
Outstanding at March 31, 2025	849,530	$14.40	$ 12,233

Compensation cost related to restricted stock awards totaled $1.3 million and $0 for the three months ended March 31, 2025 and 2024, respectively.

As of March 31, 2025, there was $10.7 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 1.9 years. There were no vesting of restricted stock awards during the three months ended March 31, 2025 or 2024.

Note 14 — Income Taxes

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

	March 31, 2025	March 31, 2024
Current income tax expense	$ 5,899	$ 3,964
Deferred tax expense	(551)	—
Total income tax expense	$ 5,348	$ 3,964

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

	March 31, 2025		March 31, 2024	
	Amount	Percent	Amount	Percent
Income tax expense, computed at statutory rate of pretax income	$ 5,329	23.58 %	$ 3,900	24.05 %
Effect of nontaxable income and nondeductible expenses	18	0.08 %	64	0.39 %
Other	1	0.01 %	—	— %
Total income tax expense	$ 5,348	23.67 %	$ 3,964	24.44 %

Note 14 — Income Taxes (Continued)

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

	March 31, 2025	December 31, 2024
Allowance for credit losses	$ 2,915	$ 2,649
Accrued expenses and other reserve accounts	1,873	1,762
Nonaccrual loan interest	791	957
Stock compensation	683	379
Unrealized loss on debt securities available for sale	78	82
Other deferred tax assets	59	212
Total deferred tax assets	6,399	6,041
Mortgage servicing rights	3,642	3,558
Fixed assets	3,023	3,135
Section 481(a) adjustment	—	—
Goodwill and intangibles	551	581
Deferred loan costs/fees	2,026	2,138
Other deferred tax liabilities	87	106
Total deferred tax liabilities	9,329	9,518
Net deferred tax liability	$ (2,930)	$ (3,477)

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 March 31, 2025 or December 31, 2024.

With a few exceptions, the Company is no longer subject to U.S. federal tax examinations by tax authorities for years before 2022, and state and local income tax examinations by tax authorities for years before 2022. For federal tax purposes, the Company recognizes interest and penalties on income taxes as a component of income tax expense.

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 and the regulatory framework for prompt corrective action, 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 March 31, 2025 and December 31, 2024. 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.

As of March 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	$ 488,481	9.92 %	$ 221,644	4.50 %	N/A	N/A
Northpointe Bank	588,659	11.95 %	221,649	4.50 %	$ 320,160	6.50 %
Tier 1 Capital (to risk weighted assets)						
Consolidated	592,215	12.02 %	295,525	6.00 %	N/A	N/A
Northpointe Bank	588,659	11.95 %	295,532	6.00 %	394,043	8.00 %
Total Capital (to risk weighted assets)						
Consolidated	627,393	12.74 %	394,033	8.00 %	N/A	N/A
Northpointe Bank	598,837	12.16 %	394,043	8.00 %	492,553	10.00 %
Tier 1 capital (to average assets)						
Consolidated	592,215	11.07 %	213,931	4.00 %	N/A	N/A
Northpointe Bank	588,659	11.01 %	213,818	4.00 %	267,273	5.00 %

Note 15 — Minimum Regulatory Capital Requirements (continued)

As of December 31, 2024 (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	$ 361,404	8.57 %	$ 189,701	4.50 %	N/A	N/A
Northpointe Bank	487,519	11.56 %	189,699	4.50 %	274,010	6.50 %
Tier 1 Capital (to risk weighted assets)						
Consolidated	469,977	11.15 %	252,935	6.00 %	N/A	N/A
Northpointe Bank	487,519	11.56 %	252,932	6.00 %	337,242	8.00 %
Total Capital (to risk weighted assets)						
Consolidated	509,591	12.09 %	337,246	8.00 %	N/A	N/A
Northpointe Bank	502,996	11.93 %	337,242	8.00 %	421,553	10.00 %
Tier 1 capital (to average assets)						
Consolidated	469,977	8.77 %	214,421	4.00 %	N/A	N/A
Northpointe Bank	487,519	9.09 %	214,419	4.00 %	268,024	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 require, or allow certain assets and liabilities at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

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:

Note 17 — Fair Value Measurements (continued)

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

Included in the Company's available for sale debt securities are corporate bonds which are classified as Level 3 assets. The valuation of these corporate bonds is determined using broker quotes, third-party vendor prices, or other valuation techniques, such as discounted cash flow techniques. Market inputs used in the other valuation techniques or underlying third-party vendor prices or broker quotes include benchmark and government bond yield curves, credit spreads, and trade execution data.

Loans

Certain loans held for sale and held for investment 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 held for investment that are measured at fair value are those that initially were intended for sale and then transferred to portfolio. At March 31, 2025, these loans had an aggregate unpaid principal balance of $201.5 million and aggregate fair value of $174.3 million. At December 31, 2024, these loans had an aggregate unpaid principal balance of $203.0 million and aggregate fair value of $173.0 million.

Note 17 — Fair Value Measurements (continued)

At March 31, 2025 and December 31, 2024, 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 months ended March 31, 2025 and 2024.

	For the Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Loans	$ 2,962	$ 148
Loans held for sale	1,810	(781)

Loans reported at the fair value which were over 90 days past due amounted to $1.3 million and $148,000 in unpaid principal balance with a fair values of $1.2 million and $145,000 as of March 31, 2025 and December 31, 2024, 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 $9.7 million in unpaid principal balance and $7.9 million in fair value as of March 31, 2025. Non-accrual loans reported at fair value amounted to $10.3 million in unpaid principal balance and $8.3 million in fair value as of December 31, 2024.

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.

Mortgage Service Rights

Mortgage service rights 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.

Note 17 — Fair Value Measurements (continued)

The following tables present information about the Company's assets measured at fair value on a recurring basis at March 31, 2025 and December 31, 2024 and the valuation techniques used by the Company to determine those fair values (dollars in thousands).

	Fair Value on a Recurring Basis at March 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
Financial Assets:				
Equity securities	$ 1,325	$ —	$ —	$ 1,325
Available for sale debt securities	—	—	8,594	8,594
Mortgage banking assets:				
Loans held for sale	—	207,633	—	207,633
Loans held for Investment	—	174,348	—	174,348
Interest rate lock commitments	—	—	4,550	4,550
Forward sales commitments	—	31	—	31
Mortgage servicing rights	—	—	15,492	15,492
Lender risk account	—	—	29,037	29,037
Financial Liabilities:				
Interest rate lock commitments	—	—	—	—
Forward sales commitments	—	774	—	774

	Fair Value on a Recurring Basis at December 31, 2024			
	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
Financial Assets:				
Equity securities	$ 1,305	$ —	$ —	$ 1,305
Available for sale debt securities	—	—	8,576	8,576
Mortgage banking assets:				
Loans held for sale	—	217,073	—	217,073
Loans held for investment	—	172,960	—	172,960
Interest rate lock commitments	—	—	2,064	2,064
Forward sales commitments	—	1,332	—	1,332
Mortgage servicing rights	—	—	15,133	15,133
Lender risk account	—	—	28,436	28,436
Financial Liabilities:				
Interest rate lock commitments	—	—	17	17
Forward sales commitments	—	131	—	131

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.

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

Note 17 — Fair Value Measurements (continued)

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 months ended March 31, 2025 and 2024 (dollars in thousands):

	For the Three Months Ended March 31,	
	2025	2024
Balance at beginning of period	$ 8,576	$ 8,923
Unrealized	18	40
Balance at end of period	$ 8,594	$ 8,963

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 months ended March 31, 2025 and 2024 (dollars in thousands):

	For the Three Months Ended March 31,	
	2025	2024
Balance at beginning of period	$ 2,047	$ 2,948
Change in fair value	2,503	745
Balance at end of period	$ 4,550	$ 3,693

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

	For the Three Months Ended March 31,	
	2025	2024
Pull-through rate	82.2 %	84.8 %

The following table presents a reconciliation of the Level 3 lender risk account measured at fair value on a recurring basis for the three months ended March 31, 2025 and 2024 (dollars in thousands):

	For the Three Months Ended March 31,	
	2025	2024
Beginning of period	$ 28,436	$ 31,694
Due to loan sales	400	210
Releases and claims paid to the Company	(628)	(2,320)
Change in fair value recognized in gain on sale of loans	829	(203)
End of period	$ 29,037	$ 29,381

Both observable and unobservable inputs may be used to determine the lender risk account fair value of position classified as 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.

Note 17 — Fair Value Measurements (continued)

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):

	Fair Value	Valuation Technique	Unobservable Inputs	Range of Inputs	Weighted Average
Assets:					
March 31, 2025					
Lender Risk Account	$ 29,037	Present value of	Credit losses	—% -0.21%	0.09 %
		cash flows	Prepayment rates	6.60 %	6.60 %
			Discount rates	5.86% - 6.70%	5.96 %
December 31, 2024					
Lender Risk Account	$ 28,436	Present value of	Credit losses	—% - 0.10%	0.08 %
		cash flows	Prepayment rates	11.97 %	11.97 %
			Discount rates	5.70% -6.65%	6.39 %

The Company also has assets that under certain conditions are subject to measurement at fair value on a nonrecurring basis. These assets include individually analyzed 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 analyzed 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 March 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
Individually analyzed loans	—	—	$ 5,257	$ 5,257
Other real estate owned	—	—	378	378

	Assets Measured at Fair Value on a Nonrecurring Basis at December 31, 2024			
	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
Individually analyzed loans	—	—	$ 6,603	$ 6,603
Other real estate owned	—	—	1,651	1,651

Note 17 — Fair Value Measurements (continued)

The following presents estimated fair values of the Company's financial instruments and the level within the fair value hierarchy in which fair value measurements falls as of the dates indicated (dollars in thousands):

	March 31, 2025		
	Fair Value Hierarchy	Carrying Value	Fair Value
Financial Assets:			
Cash and cash equivalents	Level 1	$ 321,499	$ 321,499
Equity securities	Level 1	1,325	1,325
Debt securities available for sale	Level 3	8,594	8,594
FHLB stock	Level 2	69,574	69,574
Loans held for sale	Level 2	207,633	207,633
Loans, net	Level 2	5,134,855	5,028,414
Interest receivable	Level 2	21,274	21,274
Financial Liabilities:			
Deposits	Level 2	3,822,622	3,828,609
Borrowings	Level 2	1,371,158	1,362,641
Subordinated debentures	Level 2	24,159	24,159
Subordinated debentures issued through trusts	Level 2	5,000	5,000
Interest payable	Level 2	15,154	15,154

	December 31, 2024		
	Fair Value Hierarchy	Carrying Value	Fair Value
Financial Assets:			
Cash and cash equivalents	Level 1	$ 376,295	$ 376,295
Equity securities	Level 1	1,305	1,305
Debt securities available for sale	Level 3	8,576	8,576
FHLB stock	Level 2	69,574	69,574
Loans held for sale	Level 2	217,073	217,073
Loans, net	Level 2	4,416,564	4,312,773
Interest receivable	Level 2	20,934	20,934
Financial Liabilities:			
Deposits	Level 2	3,422,555	3,423,196
Borrowings	Level 2	1,258,750	1,232,310
Subordinated debentures	Level 2	38,933	38,933
Subordinated debentures issued through trusts	Level 2	5,000	5,000
Interest payable	Level 2	8,114	8,114

Note 18 — Related Parties

There was no loan activity with principal officers, directors, and their affiliates during the three months ended March 31, 2025 and no outstanding loan balances at March 31, 2025 or December 31, 2024.

Deposits from principal officers, directors, and their affiliates were $4.6 million at March 31, 2025 and $3.8 million at December 31, 2024.

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):

	March 31, 2025	March 31, 2024
Earnings per common share:		
Net income	$ 17,247	$ 12,251
Preferred stock dividends	2,206	2,413
Net income available to common stockholders	$ 15,041	$ 9,838
Weighted average common shares	29,871,001	25,689,560
Basic earnings per common share	$ 0.50	$ 0.38
Dilutive earnings per common share:		
Net income available to common stockholders	$ 15,041	$ 9,838
Weighted average common shares	29,871,001	25,689,560
Effect of dilutive shares	577,847	66,871
Weighted average dilutive common shares	30,448,848	25,756,431
Dilutive earnings per common share	$ 0.49	$ 0.38

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.

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.

Note 20 — Segment Information (continued)

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

	For the Three Months Ended March 31, 2025		
	Retail Banking	MPP	Total
Interest income	$ 47,462	$ 31,688	$ 79,150
Interest expense	(48,761)	—	(48,761)
Funds transfer pricing	20,767	(20,767)	—
Net interest income	19,468	10,921	30,389
Provision (benefit) for credit losses	992	303	1,295
Net interest income after provision (benefit) for credit losses	18,476	10,618	29,094
Noninterest income (1)	21,732	1,141	22,873
Salaries and employee benefits	(18,931)	(1,512)	(20,443)
Occupancy and equipment	(950)	(22)	(972)
Other noninterest expense (2)	(7,844)	(113)	(7,957)
Noninterest expense	(27,725)	(1,647)	(29,372)
Expense allocation (3)	1,153	(1,153)	—
Net Income before taxes	13,636	8,959	22,595
Income tax expense	(3,227)	(2,121)	(5,348)
Net Income before preferred dividends	$ 10,409	$ 6,838	$ 17,247
Average balance sheet assets	$ 3,551,982	$ 1,795,920	$ 5,347,902
Period end assets	$ 3,391,443	$ 2,468,212	$ 5,859,655

(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.

Note 20 — Segment Information (continued)

	For the Three Months Ended March 31, 2024		
	Retail Banking	MPP	Total
Interest income	$ 49,566	$ 23,016	$ 72,582
Interest expense	(45,387)	—	(45,387)
Funds transfer pricing	15,353	(15,353)	—
Net interest income	19,532	7,663	27,195
Provision (benefit) for credit losses	(433)	76	(357)
Net interest income after provision (benefit) for credit losses	19,965	7,587	27,552
Noninterest income (1)	15,702	945	16,647
Salaries and employee benefits	(16,802)	(1,218)	(18,020)
Occupancy and equipment	(1,273)	(22)	(1,295)
Other noninterest expense (2)	(8,571)	(98)	(8,669)
Noninterest expense	(26,646)	(1,338)	(27,984)
Expense allocation (3)	866	(866)	—
Net Income before taxes	9,887	6,328	16,215
Income tax expense	(2,466)	(1,498)	(3,964)
Net Income before preferred dividends	$ 7,421	$ 4,830	$ 12,251
Average balance sheet assets	$ 3,657,574	$ 1,125,507	$ 4,783,081
Period end assets	$ 3,613,448	$ 1,251,833	$ 4,865,281

(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

The purpose of this discussion and analysis is to focus on significant changes in the financial condition of Northpointe Bancshares, Inc. and our wholly owned subsidiary, Northpointe Bank, from December 31, 2024 through March 31, 2025 and on our results of operations for the three months ended March 31, 2025 and 2024. 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.

Unless otherwise stated, all information in this document gives effect to a ten-for-one stock split, whereby each holder of our common stock received nine additional shares of common stock for each share owned as of the record date of December 19, 2024, which was distributed on December 30, 2024. The effect of the stock dividend on outstanding shares and per share figures has been retroactively applied to all periods presented in this document.

Business Overview

The Company is a bank holding company that is headquartered in Grand Rapids, Michigan. Through our wholly-owned subsidiary, Northpointe Bank, we focus on providing independent mortgage banking platforms nationwide with an alternative to traditional mortgage warehouse lending (we refer to this business as our Mortgage Purchase Program, or "MPP"), as well as residential mortgage and digital banking services to retail customers nationwide. Our residential lending business provides a comprehensive range of financing options nationwide through two main channels: consumer direct and traditional retail. These channels combine the convenience of on-line, 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). We have one bank branch located in Grand Rapids, Michigan and loan production offices located in 23 cities in 15 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 newly originated 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-earnings 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 United States generally accepted accounting principles ("GAAP") and follow general practices within the banking industry. Application of these principles requires management to make estimates, assumptions and complex judgements that affect amounts presented in our consolidated financial statements. These estimates, assumptions and judgements 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 judgements. Our critical accounting policies are described in detail in our 2024 Form 10-K.

Our accounting and reporting policies are in accordance with accounting principles generally accepted in the United States of America and conform to general practices within the banking industry. Accounting and reporting policies for the allowance for credit losses ("ACL"), lender risk account and capitalized mortgage loan servicing rights 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 loan portfolio. We use a rigorous process to attempt to accurately quantify 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. As a result, we could record future provisions for credit losses that may be significantly different than the levels that we recorded in prior periods.

A Lender Risk Account (“LRA”) has been established for loans we have sold to the Federal Home Loan Bank of Indianapolis (“FHLB”). The LRA is funded and maintained by the FHLB at 1.20% of the loan balance 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. Fair value is determined using an income approach with various assumptions including expected cash flows, market discount rates, prepayment speeds, 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 mortgage servicing right (“MSR”) assets when we sell loans with servicing retained and when we purchase mortgage servicing. The fair value of our mortgage loan servicing rights has been 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. 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.

Highlights of the First Quarter of 2025

- Net income available to common stockholders was $15.0 million for the three months ended March 31, 2025, an increase of $5.2 million, or 52.9%, from $9.8 million for the three months ended March 31, 2024.
- Earnings per diluted common share was $0.49 for the three months ended March 31, 2025, as compared to $0.38 for the three months ended March 31, 2024.
- Net interest income before provision for credit losses was $30.4 million for the three months ended March 31, 2025, an increase of $3.2 million from the three months ended March 31, 2024, reflecting strong growth in MPP and AIO loans and a 3 basis point decrease in net interest margin.
- Noninterest income was $22.9 million for the three months ended March 31, 2025, an increase of $6.2 million from the three months ended March 31, 2024, driven primarily by higher gain on sale of loans, partially offset by lower loan servicing fees.

- Noninterest expense was $29.4 million for the three months ended March 31, 2025, an increase of $1.4 million from the three months ended March 31 2024, driven primarily by higher compensation expense attributable to higher bonus and incentive compensation attributable to our IPO and improvement in net income in the first quarter of 2025, partially offset by decreases in other expense categories from our proactive measures to manage mortgage-related back-office expenses.
- Loans held for investment ("HFI") were $5.15 billion at March 31, 2025, an increase of $719.4 million from March 31, 2024, reflecting increases of $757.4 million in MPP balances and $31.1 million in AIO loans. Both of these increases reflect strong new customer acquisition and market share gains, as well as a slight increase in overall industry mortgage originations.
- MPP loans increased to 46.1% of total gross loans at March 31, 2025 from 36.8% at December 31, 2024, and residential mortgage loans decreased to 35.5% of total gross loans at March 31, 2025 from 41.9% at December 31, 2024.
- Liquidity remained stable, with total cash and cash equivalents of $321.5 million at March 31, 2025 as compared to $376.3 million at December 31, 2024.
- As of March 31, 2025, 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 March 31, 2025 and 2024:

	For the Three Months Ended March 31,					
	2025			2024		
(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)]	$ 4,672,435	$ 72,071	6.26 %	$ 4,074,556	$ 64,897	6.41 %
Securities, AFS[(3)]	9,909	154	6.30 %	10,519	165	6.31 %
Securities, FHLB Stock	69,574	1,629	9.49 %	68,244	1,499	8.84 %
Interest Bearing Deposits	487,180	5,296	4.41 %	444,465	6,021	5.45 %
Total earning assets	5,239,098	79,150	6.13 %	4,597,784	72,582	6.35 %
Noninterest earning assets[(4)]	108,804			185,297		
Total assets	$ 5,347,902			$ 4,783,081		
Interest-Bearing Liabilities						
Deposits:						
Transaction Accounts	$ 739,709	$ 7,990	4.38 %	$ 412,616	$ 5,157	5.03 %
Money market & savings	337,124	3,250	3.91 %	359,977	3,777	4.22 %
Time	2,254,388	25,070	4.51 %	1,890,792	24,597	5.23 %
Total interest-bearing deposits	3,331,221	36,310	4.42 %	2,663,385	33,531	5.06 %
Sub debt	29,142	887	12.34 %	39,378	792	8.09 %
Borrowings	1,210,086	11,564	3.88 %	1,321,419	11,064	3.37 %
Total interest-bearing liabilities	4,570,449	48,761	4.33 %	4,024,182	45,387	4.54 %
Noninterest-bearing liabilities						
Noninterest-bearing deposits	207,166			255,837		
Other noninterest-bearing liabilities	39,128			62,092		
Total noninterest-bearing liabilities	246,294			317,929		
Equity	531,159			440,970		
	$ 5,347,902			$ 4,783,081		
Net interest spread[(5)]			1.80 %			1.81 %
Net interest margin[(6)]		$ 30,389	2.35 %		$ 27,195	2.38 %

(1) Loan balance includes loans held for investment 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) Loan fees of $40,000 and $72,000 for the three months ended March 31, 2025 and 2024, 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 includes 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 March 31, 2025, net interest income increased to $30.4 million, an increase of $3.2 million, or 11.7%, from $27.2 million for the same period in 2024. This increase was driven primarily by a 13.9% increase in earning assets, partially offset by lower net interest margin.

Average interest-earning assets were $5.24 billion at March 31 2025, an increase of $641.3 million from $4.60 billion at March 31, 2024, reflecting strong growth in loans, particularly MPP and AIO.

Net interest margin was 2.35% for the three months ended March 31, 2025, a decrease of 3 bps from 2.38% for the three months ended March 31, 2024. This decrease was driven primarily by average yields on interest earning assets decreasing by slightly more than our decrease in cost of funds, as well as a change in the mix of interest-earning assets. For the three months ended March 31, 2025, the yield on interest earning assets decreased by 22 bps from same period in 2024 and the rate on interest-bearing liabilities decreased by 21 bps from the same period in 2024, both reflecting a reduction in the federal funds rate.

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 March 31, 2025 vs 2024		
	Variance Due To		
(Dollars in thousands)	**Volume**	**Yield/Rate**	**Total**
Interest-Earning Assets			
Loans	$ 8,786	$ (1,612)	$ 7,174
Securities, AFS	(11)	—	(11)
Securities, FHLB Stock	26	104	130
Interest-bearing deposits	616	(1,341)	(725)
Total interest-earning assets	9,417	(2,849)	6,568
Interest-Bearing Liabilities			
Deposits:			
Transaction accounts	3,994	(1,161)	2,833
Money market & savings	(253)	(274)	(527)
Time	3,277	(2,804)	473
Total interest-bearing deposits	7,018	(4,239)	2,779
Sub debt	(192)	287	95
Borrowings	(780)	1,280	500
Total interest-bearing liabilities	6,046	(2,672)	3,374
Net interest income / margin	$ 3,371	$ (177)	$ 3,194

The yield and volume table above shows that the $3.2 million increase in net interest income for the three months ended March 31 2025 compared to the same period in 2024 was due to a $3.4 million benefit from increased earnings asset volume partially offset by a $177,000 decrease in net interest margin as the decrease in yields on assets was more than the decrease in the cost of funds. The primary driver of our growth in net interest income in the first quarter of 2025 was our loan portfolio. Total interest income on our loan portfolio grew $7.2 million in the three months ended March 31, 2025 compared to the same period in 2024, with $8.8 million coming from growth in average portfolio balances partially offset by a reduction of $1.6 million from lower loan portfolio yields. Offsetting this interest income growth was higher funding costs, among most funding sources, primarily volume related. Total funding costs increased by $3.4 million in the three months ended March 31, 2025 compared to the same period in 2024, with $6.0 million of the increase in interest expense coming from higher average balances, partially offset by $2.7 million from lower funding rates.

Provision for Credit Losses

The provision for credit losses represents a charge 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 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 for credit losses reflects risks in the HFI loan portfolio, which is comprised predominately of collateralized single-family mortgage loans, with very low historical loss experience.

For the three months ended March 31, 2025, our total provision for credit losses was $1.3 million, compared to a total benefit of $357,000 for the same period in 2024. Our provision for credit losses reflects both our held for investment loan portfolio and the unfunded commitments on that portfolio. The increase in provision for credit losses for the three months ended March 31 2025 compared to the same period in 2024, was driven primarily by continued growth in the portfolio, reserve increases on individually evaluated loans, credit migration trends, and changes in the economic forecasts used in the credit models. The provision for credit losses related to loans was an expense of $1.4 million for the three months ended March 31, 2025, reflecting net charge-offs of $259,000 and an ending allowance for credit losses of $12.3 million. For the three months ended March 31, 2024, the provision for credit losses related to loans was an expense of $331,000, reflecting $9,000 in net recoveries and an ending allowance for credit losses of $12.6 million. Provision for credit losses also includes provision for unfunded loan commitments on the Consolidated Statements of Income. We recorded a provision for unfunded loan commitments benefit of $90,000 for the three months ended March 31, 2025 and a benefit of $688,000 for the three months ended March 31, 2024, which impacted the change in allowance for each period. The benefit in both these periods reflect lower levels of unfunded commitments driven primarily by continued run-off in the construction loan portfolio.

Noninterest Income

The following table presents the major components of our noninterest income for the three months ended March 31, 2025 and 2024:

(Dollars in thousands) Noninterest Income	For the Three Months Ended March 31, 2025	 2024	 $ Increase (Decrease)
Service charges on deposits and other fees	$ 180	$ 508	$ (328)
Loan servicing fees	995	3,862	(2,867)
MPP fees	1,141	945	196
Net gain on sale of loans	18,587	11,352	7,235
Other noninterest income	1,970	(20)	1,990
	$ 22,873	**$ 16,647**	**$ 6,226**

For the three months ended March 31, 2025, noninterest income was $22.9 million, an increase of $6.2 million compared to the same period in 2024, driven primarily by higher net gains on sales of loans and other noninterest income, partially offset by lower loan servicing fees and deposit service charges.

The following tables present the major components of our loan servicing fees and net gain on sale of loans for the three months ended March 31, 2025 and 2024:

(Dollars in thousands) Loan Servicing Fees	For the Three Months Ended March 31, 2025	2024	$ Increase (Decrease)
Fees on servicing	$ 1,702	$ 5,670	$ (3,968)
Change in fair value of MSRs (1)	(707)	(1,808)	1,101
	$ 995	$ 3,862	$ (2,867)

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

(Dollars in thousands) Net Gain on Sale of Loans	For the Three Months Ended March 31, 2025	2024	$ Increase (Decrease)
Capitalized MSRs	$ 1,066	$ 485	$ 581
Change in fair value of loans (1)	4,678	(1,185)	5,863
Gain on sale of loans, net (2)	12,843	12,052	791
	$ 18,587	$ 11,352	$ 7,235

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

(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 LRA.

For the three months ended March 31, 2025, loan servicing fees decreased by $2.9 million compared to the same period in 2024, due largely to a $80.8 million bulk sale of MSRs completed in the first quarter of 2024 as we made the strategic decision to scale back that part of our business.

For the three months ended March 31, 2025, MPP fees increased by $196,000 compared to the same period in 2024, driven primarily by an increase in overall volume of the MPP program.

For the three months ended March 31, 2025, gain on sale of loans increased by $7.2 million compared to the same period in 2024. This was driven primarily by an increase in the fair value of loans of $5.9 million, which was attributable to lower market interest rates, along with smaller increases from capitalized MSRs and gain on sale of loans, net, over the same period.

For the three months ended March 31, 2025, other noninterest income increased by $2.0 million compared to the same period in 2024. For the three months ended March 31, 2025, we recognized a $2.0 million gain on debt extinguishment of $102.5 million in FHLB advances, and we did not have any such debt extinguishment gain or loss for the same period in 2024.

Noninterest Expense

The following table presents the major components of our noninterest expense for the three months ended March 31, 2025 and 2024:

(Dollars in thousands) Noninterest Expense	For the Three Months Ended March 31, 2025	2024	$ Increase (Decrease)
Salaries and employee benefits	$ 20,443	$ 18,020	$ 2,423
Occupancy and equipment	972	1,295	(323)
Data processing expense	2,107	2,498	(391)
Professional fees	1,228	1,119	109
Other taxes and insurance	1,787	1,810	(23)
Other	2,835	3,242	(407)
	$ 29,372	**$ 27,984**	**$ 1,388**

For the three months ended March 31, 2025, noninterest expense was $29.4 million, an increase of $1.4 million, compared to the same period in 2024. Salaries and employee benefits expense represent the largest component of our noninterest expense, which are broken out in the below table for the three months ended March 31, 2025 and 2024:

(Dollars in thousands) Salaries and Employee Benefits	For the Three Months Ended March 31, 2025	 2024	 $ Increase (Decrease)
Salaries and other compensation	$ 8,607	$ 9,073	$ (466)
Salary deferral from loan origination	(969)	(979)	10
Bonus and incentive compensation	3,642	1,698	1,944
Mortgage production - variable compensation	6,059	5,866	193
Employee benefits	3,104	2,362	742
Total salaries and employee benefits	**$ 20,443**	**$ 18,020**	**$ 2,423**

For the three months ended March 31, 2025, salaries and employee benefits increased by $2.4 million compared to the same period in 2024. Of this increase, $1.9 million was from higher bonus and incentive compensation expense, attributable to our initial public offering and the improvement in net income, along with a $742,000 increase in employee benefit expense from higher payroll tax expenses and an increase of $193,000 in variable commission compensation associated with mortgage volume. Partially offsetting this was a decrease in base salaries and other compensation of $466,000 as we continued to proactively manage staffing levels to align with lower mortgage loan production volume. Our average full time equivalent employees (FTE) was 491 for the three months ended March 31, 2025, compared to 610 for the three months ended March 31, 2024.

For the three months ended March 31, 2025, occupancy and equipment expense decreased by $323,000 compared to the same period in 2024, driven primarily by lower building lease expense. For the three months ended March 31, 2025, data processing fees decreased by $391,000 compared to the same period in 2024, which was consistent with lower mortgage volume as much of our data processing costs are unit based. For the three months ended March 31, 2025, professional fees increased by $109,000 compared to same period in 2024, largely due to higher expenses associated with being a public company.

For the three months ended March 31, 2025, other expenses decreased by $407,000 compared to the same period in 2024. Other expenses include several categories of expenses which are typically more tied to mortgage volume, including marketing and credit reporting fees and the loan repurchase reserve expense.

Income Tax Expense

For the three months ended March 31, 2025, total income tax expense was $5.3 million compared to $4.0 million for the same period in 2024. The effective tax rate was 23.67% for the three months ended March 31, 2025 compared to 24.45% for the same period in 2024.

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 table presents our reported segment results for the three months ended March 31, 2025 and 2024:

	As of or for the Three Months Ended March 31,					
	2025			2024		
(Dollars in thousands)	Retail Banking	MPP	Total	Retail Banking	MPP	Total
Interest income	$ 47,462	$ 31,688	$ 79,150	$ 49,566	$ 23,016	$ 72,582
Interest expense	(48,761)	—	(48,761)	(45,387)	—	(45,387)
Funds transfer pricing	20,767	(20,767)	—	15,353	(15,353)	—
Net interest income	**19,468**	**10,921**	**30,389**	**19,532**	**7,663**	**27,195**
Provision (benefit) for credit losses	992	303	1,295	(433)	76	(357)
Net income after provision	**18,476**	**10,618**	**29,094**	**19,965**	**7,587**	**27,552**
Noninterest income (1)	21,732	1,141	22,873	15,702	945	16,647
Salaries and employee benefits	(18,931)	(1,512)	(20,443)	(16,802)	(1,218)	(18,020)
Occupancy and equipment	(950)	(22)	(972)	(1,273)	(22)	(1,295)
Other noninterest expense (2)	(7,844)	(113)	(7,957)	(8,571)	(98)	(8,669)
Noninterest expense	(27,725)	(1,647)	(29,372)	(26,646)	(1,338)	(27,984)
Expense allocation (3)	1,153	(1,152)	1	866	(866)	—
Net income before taxes	**13,636**	**8,960**	**22,596**	**9,887**	**6,328**	**16,215**
Income tax expense	(3,227)	(2,121)	(5,348)	(2,466)	(1,498)	(3,964)
Net income before preferred dividends	**$ 10,409**	**$ 6,839**	**$ 17,248**	**$ 7,421**	**$ 4,830**	**$ 12,251**
Average balance sheet assets	$ 3,551,982	$ 1,795,920	$ 5,347,902	$ 3,657,574	$ 1,125,507	$ 4,783,081
Period end assets	$ 3,391,443	$ 2,468,212	$ 5,859,655	$ 3,613,448	$ 1,251,833	$ 4,865,281

(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 March 31, 2025, our MPP segment reported net income before preferred dividends of $6.8 million, an increase of $2.0 million, or 41.6%, over the $4.8 million reported for the same period in 2024. This increase was driven primarily by a 59.6% increase in average balances which drove higher net interest income and fees. The increase in average balances reflects strong loan growth from new customer acquisition and market share gains.

Retail Banking

For the three months ended March 31, 2025, our Retail Banking segment reported net income before preferred dividends of $10.4 million, an increase of $3.0 million, or 40.3%, over the $7.4 million reported for the same period in 2024. This increase was driven primarily by lower noninterest expense, which outpaced the decrease in noninterest income and net interest income. The decrease in noninterest expense reflects lower variable mortgage commissions and proactive expense management across the channel.

Discussion and Analysis of Financial Condition

The following table summarizes selected components of our balance sheets at March 31, 2025 and December 31, 2024:

(Dollars in thousands)	March 31, 2025	December 31, 2024
BALANCE SHEET DATA		
Total Assets	$ 5,859,655	$ 5,224,011
Cash and cash equivalents	321,499	376,295
Equity and debt securities	9,919	9,881
FHLB stock	69,574	69,574
Loans and loans held for sale, net	5,342,488	4,633,637
Deposits	3,822,622	3,422,555
Borrowings	1,371,158	1,258,750
Subordinated debentures	29,159	43,933
Total equity capital	586,522	462,490

Total Assets

Total assets were $5.86 billion at March 31, 2025 as compared to $5.22 billion at December 31, 2024. This $635.6 million increase in total assets was driven primarily by higher balances of net loans and loans held for sale, partially offset by lower cash and cash equivalents.

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, as of the dates indicated:

(Dollars in thousands)	March 31, 2025 Amount	March 31, 2025 % of Total Gross Loans	December 31, 2024 Amount	December 31, 2024 % of Total Gross Loans
Residential:				
Construction	$ 40,995	0.8 %	$ 51,408	1.1 %
All-in-One (AIO)(1)	643,180	12.0 %	612,080	13.2 %
Other consumer / home equity(1)	94,060	1.8 %	97,258	2.1 %
Residential mortgage(2)	1,899,823	35.5 %	1,948,175	41.9 %
Commercial	900	0.0 %	8,013	0.2 %
MPP	2,468,212	46.1 %	1,710,820	36.8 %
Total loans held for investment	5,147,170	96.1 %	4,427,754	95.3 %
Loans held for sale	207,633	3.9 %	217,073	4.7 %
Total gross loans (HFI and HFS)	$ 5,354,803	100.0 %	$ 4,644,827	100.0 %

(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 held for investment and loans held for sale. Our loans held for investment portfolio comprises over 96% 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 March 31, 2025 are 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, and commercial loans, which combined represented less than 3% of the overall loan portfolio as of March 31, 2025.

At March 31, 2025, our total loans net of allowance for credit losses including loans held for sale was $5.34 billion, as compared to $4.64 billion on December 31, 2024. This increase of $710.0 million over the prior quarter was driven primarily by the strong growth in MPP and AIO balances, which increased by $757.4 million and $31.1 million, respectively. Growing the MPP business remains one of our top strategic priorities, and reflects the strength of our scalable technology, long-standing strong relationships, as well as our ability to capitalize on recent market disruption within the business line. We also remain focused on prudently growing the portfolio of first-lien home equity lines, which includes AIO loans.

As of March 31, 2025, residential mortgage comprised 35.5% of our total loan portfolio compared to 46.1% for MPP and 12.0% for AIO loans. As of December 31, 2024, residential mortgage comprised 41.9% of our total loan portfolio compared to 36.8% for MPP and 13.2% for AIO loans. The reduction in residential mortgages reflects normal amortization and pay-offs, as we are not strategically growing this portfolio.

Contractual Maturities and Rate Structures of Loan Portfolio

The following table sets forth the contractual maturities and rate structures at March 31, 2025 and December 31, 2024:

Contractual Loan Maturities as of March 31, 2025

	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	$ 10,087	$ —	$ —	$ —	$ —	$ —	$ 27,972	$ 2,936	$ 40,995
All-in-One (AIO)(1)	—	—	—	—	—	—	—	643,180	643,180
Other consumer / home equity(1)	—	—	—	—	70	85	847	93,058	94,060
Residential mortgage(2)	177	19	328	559	15,660	14,967	406,709	1,461,404	1,899,823
Commercial	201	234	329	—	136	—	—	—	900
MPP	—	2,468,212	—	—	—	—	—	—	2,468,212
Total loans held for investment:	10,465	2,468,465	657	559	15,866	15,052	435,528	2,200,578	5,147,170
Retail loans held for sale:	—	—	—	—	435	—	206,022	1,176	207,633
Total gross loans (HFI and HFS)	**$ 10,465**	**$ 2,468,465**	**$ 657**	**$ 559**	**$ 16,301**	**$ 15,052**	**$ 641,550**	**$ 2,201,754**	**$ 5,354,803**

(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, 2024

	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	$ 12,401	$ —	$ —	$ —	$ —	$ —	$ 38,013	$ 994	$ 51,408
All-in-One (AIO)(1)	—	—	—	—	—	—	—	612,080	$ 612,080
Other consumer / home equity(1)	—	—	—	—	—	70	—	97,188	97,258
Residential mortgage(2)	393	333	347	553	15,655	14,142	363,450	1,553,302	1,948,175
Commercial	—	7,303	120	234	115	82	159	—	8,013
MPP	—	1,710,820	—	—	—	—	—	—	1,710,820
Total loans held for investment:	12,794	1,718,456	467	787	15,770	14,294	401,622	2,263,564	4,427,754
Retail loans held for sale:	—	—	—	—	—	—	210,766	6,307	217,073
Total gross loans (HFI and HFS)	**$ 12,794**	**$ 1,718,456**	**$ 467**	**$ 787**	**$ 15,770**	**$ 14,294**	**$ 612,388**	**$ 2,269,871**	**$ 4,644,827**

(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 March 31, 2025, 46.3% of our total loan portfolio had a contractual maturity of less than one year, up from 37.3% at December 31, 2024. 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 clients 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 March 31, 2025, 53.1% of total loans had contractual maturities of longer than 15 years, compared to 62.1% at December 31, 2024. For our two largest categories of long duration loans as of March 31, 2025, 77.7% 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 held for investment and loans held for sale) as of the dates presented and certain other related information:

(Dollars in thousands)	March 31, 2025	December 31, 2024
Nonaccrual loans[(1)]:		
Commercial	—	118
Construction	1,757	1,921
Land development	2,296	2,312
Home equity lines of credit	11,930	10,807
First lien mortgage	29,679	25,706
First lien mortgage wholly or partially guaranteed by the U.S Government	29,492	32,159
Junior lien mortgage	1,577	1,532
MPP	—	—
	76,731	74,555
Loans past due 90 days or more and still accruing[(1)]:		
Commercial	—	—
Construction	1,866	—
Land development	751	—
Home equity lines of credit	289	200
First lien mortgage	6,098	3,823
First lien mortgage wholly or partially guaranteed by the U.S Government	605	346
Junior lien mortgage	608	30
MPP	—	—
	10,217	4,399
Total nonperforming loans	86,948	78,954
Other real estate owned	873	3,030
Total nonperforming assets	$ 87,821	$ 81,984
Nonaccrual loans to total loans	1.43 %	1.61 %
Nonperforming loans to total loans	1.62 %	1.70 %
Nonperforming assets to total assets	1.50 %	1.57 %
Allowance for credit losses to nonaccrual loans	16.05 %	15.01 %
Ratios excluding loans wholly or partially guaranteed by the U.S Government		
Nonaccrual loans to total loans	0.88 %	0.91 %
Nonperforming loans to total loans	1.06 %	1.00 %
Nonperforming assets to total assets	0.99 %	0.95 %
Allowance for credit losses to nonaccrual loans	26.07 %	26.39 %

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

At March 31, 2025, nonperforming assets were $87.8 million compared to $82.0 million at December 31, 2024. The increase in nonperforming assets was driven primarily by normal aging within the loans held for investment portfolio. A substantial portion of the linked quarter increase in non-performing loans related to the Company's transfer of servicing to a scaled sub-servicer. The majority of these loans have already, or are expected to, pay in full or become current. Nonperforming assets as a percent of total assets was 1.50% at March 31, 2025 compared to 1.57% at December 31, 2024.

A substantial 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 increased to 0.99% at March 31, 2025, compared to 0.95% at December 31, 2024. At March 31, 2025, approximately 35% 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 allowance for credit losses 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 allowance for credit losses 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 allowance for credit losses 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:

	March 31, 2025		December 31, 2024	
(Dollars in thousands)	Dollars	% of Total	Dollars	% of Total
Collectively allocated for impairment:				
Commercial	$ 4	— %	$ 32	0.3 %
Construction	645	5.2 %	390	3.5 %
Land development	964	7.8 %	976	8.7 %
Home equity lines of credit	1,877	15.2 %	1,920	17.2 %
First lien mortgage	4,657	37.8 %	4,515	40.3 %
Junior lien mortgage	2,084	16.9 %	1,672	14.9 %
MPP	987	8.0 %	684	6.1 %
	11,218	91.1 %	10,189	91.1 %
Individually allocated for impairment	1,094	8.9 %	995	8.9 %
Unallocated	3	— %	6	0.1 %
	1,097	8.9 %	1,001	8.9 %
Total allowance for credit losses	$ 12,315	100.0 %	$ 11,190	100.0 %

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

	For the Three Months Ended			
	March 31, 2025		March 31, 2024	
(Dollars in thousands)	Activity	% of Average Loans Held for Investment (1)	Activity	% of Average Loans Held for Investment (1)
Loans held for investment	$ 5,147,170		$ 3,983,069	
Beginning allowance for credit losses	$ 11,190		$ 12,295	
Net charge-offs (recoveries):				
Commercial	(4)	-0.22 %	(14)	-1.05 %
Construction	—	0.00 %	25	0.06 %
Land development	—	0.00 %	—	0.00 %
Home equity lines of credit	40	0.02 %	2	0.00 %
First lien mortgage	172	0.04 %	(21)	0.00 %
Junior lien mortgage	51	0.27 %	—	0.00 %
MPP	—	0.00 %	—	0.00 %
Total net charge-offs (recoveries)	259		(8)	
Provision for credit losses	1,384		332	
Ending allowance for credit losses	$ 12,315		$ 12,635	
Allowance for credit losses to loans held for investment	0.24 %		0.32 %	
Net charge-offs (recoveries) to average loans	0.02 %		0.00 %	

(1) Net charge-offs annualized for interim period

The allowance for credit losses was 0.24% of total loans at March 31, 2025 as compared to 0.32% as of December 31, 2024. 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 allowance for credit losses methodology is described in more detail in Notes 1 and 3 of the Notes to Consolidated Financial Statements.

Our allowance for credit losses, 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. Since 2019, our cumulative charge-offs, net of recoveries, totaled $3.1 million. Our annualized net charge-off rate was 0.02% for the three months ended March 31, 2025 and we had net recoveries for the three months ended March 31, 2024.

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 its liquidity in cash or cash equivalents. At March 31, 2025, debt securities totaled $8.6 million, or 0.15%, of total assets compared to $8.6 million, or 0.16%, at December 31, 2024.

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

(Dollars in thousands)	March 31, 2025 Carrying Value	March 31, 2025 % of Total	December 31, 2024 Carrying Value	December 31, 2024 % of Total
Available for sale securities:				
Corporate debt	$ 8,594	100.0 %	$ 8,576	100.0 %
Total available for sale securities	8,594	100.0 %	8,576	100.0 %
Total investment securities	$ 8,594	100.0 %	$ 8,576	100.0 %

The following table presents 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):

March 31, 2025	Due in 1 Year or Less Par Value	Due in 1 Year or Less Weighted Avg Yield(1)	Due after 1 Year through 5 Years Par Value	Due after 1 Year through 5 Years Weighted Avg Yield(1)	Due after 5 Years through 10 Years Par Value	Due after 5 Years through 10 Years Weighted Avg Yield(1)	Due after 10 Years Par Value	Due after 10 Years Weighted Avg Yield(1)	Total Par Value	Total Weighted Avg Yield(1)
Available for sale securities:										
Corporate debt	—	—	—	—	$ 9,000	6.30 %	—	—	$ 9,000	6.30 %
Total available for sale securities	—	—	—	—	9,000	6.30 %	—	—	9,000	6.30 %
Total investment securities	—	—	—	—	$ 9,000	6.30 %	—	—	$ 9,000	6.30 %

December 31, 2024	Due in 1 Year or Less Par Value	Due in 1 Year or Less Weighted Avg Yield(1)	Due after 1 Year through 5 Years Par Value	Due after 1 Year through 5 Years Weighted Avg Yield(1)	Due after 5 Years through 10 Years Par Value	Due after 5 Years through 10 Years Weighted Avg Yield(1)	Due after 10 Years Par Value	Due after 10 Years Weighted Avg Yield(1)	Total Par Value	Total Weighted Avg Yield(1)
Available for sale securities:										
Corporate debt	—	—	$ —	— %	$ 9,000	6.63 %	$ —	— %	$ 9,000	6.63 %
Total available for sale securities	—	—	—	— %	9,000	6.63 %	—	— %	9,000	6.63 %
Total investment securities	—	—	$ —	— %	$ 9,000	6.63 %	$ —	— %	$ 9,000	6.63 %

(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 our business operations. At March 31, 2025, total deposits were $3.82 billion compared to $3.42 billion at December 31, 2024. This $400.1 million increase in deposits from the prior quarter was driven primarily by higher brokered CDs, along with increases in the Company's diversified digital deposit banking platform including non-interest bearing demand, interest-bearing demand, retail CDs and rateboard CDs.

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

(Dollars in thousands)	March 31, 2025 Average Amount	March 31, 2025 Weighted Avg Rate Paid	March 31, 2025 Percent of Total Deposits	December 31, 2024 Average Amount	December 31, 2024 Weighted Avg Rate Paid	December 31, 2024 Percent of Total Deposits
Noninterest bearing demand	$ 207,166	0.00 %	6 %	$ 250,135	0.00 %	8 %
Interest bearing demand	739,709	4.38 %	21 %	412,396	4.83 %	13 %
Savings & money market	337,124	3.91 %	10 %	380,131	4.39 %	12 %
Time	2,254,388	4.51 %	64 %	2,221,123	5.16 %	68 %
Total deposits	$ 3,538,387	4.10 %	100 %	$ 3,263,785	4.63 %	100 %

The following tables set forth the maturity of time deposits for the period ending indicated (dollars in thousands):

(dollars in thousands)

March 31, 2025	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Brokered CDs	$ 2,000,000	$ —	$ —	$ 87,330	$ 2,087,330
All other CDs	90,816	144,102	91,020	85,150	411,088
Total time deposits	$ 2,090,816	$ 144,102	$ 91,020	$ 172,480	$ 2,498,418

(dollars in thousands)

December 31, 2024	Three Months or Less	Three to Six Months	Six to Twelve Months	After Twelve Months	Total
Brokered CDs	$ 1,731,707	$ —	$ —	$ 87,330	$ 1,819,037
All other CDs	69,327	60,775	151,851	87,979	369,932
Total time deposits	$ 1,801,034	$ 60,775	$ 151,851	$ 175,309	$ 2,188,969

Total uninsured deposits were $378.1 million at March 31, 2025 and $309.9 million at December 31, 2024.

The following table shows the portion of time deposits that are uninsured, by remaining time until maturity, at March 31, 2025:

(Dollars in thousands)	March 31, 2025
3 months or less	$ 22,090
Over 3 through 6 months	48,706
Over 6 through 12 months	19,793
Over 12 months	10,446
Total:	**$ 101,035**

Borrowings

Another key source of funding for the Company are collateralized borrowings from the FHLB. At March 31, 2025, our total FHLB borrowings were $1.24 billion, down $22.5 million from $1.26 billion at December 31, 2024. At March 31, 2025, we had $1.06 billion in additional borrowing capacity at the FHLB. Early in the first quarter of 2025, we paid off $102.5 million in FHLB advances, recognizing a gain of $2.0 million. This extinguishment was funded through our receipt of new contractual interest bearing deposits with a similar duration, as part of our strategy to reduce the wholesale funding ratio. At March 31, 2025, we had $44.9 million in outstanding short-term borrowings on our FHLB line of credit. We had no such borrowings at December 31, 2024. At March 31, 2025, we also had $90.0 million in overnight borrowings compared to no overnight borrowings at December 31, 2024.

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

(Dollars in thousands)	March 31, 2025	December 31, 2024
Period ending balance	$ 1,236,250	$ 1,258,750
Average balance during period	1,205,751	1,300,488
Maximum outstanding at any month end	1,281,158	1,371,422
Weighted average rate paid	3.85 %	3.82 %

Subordinated Debentures and Subordinated Debentures Issued through Trusts

At March 31, 2025, we had $25.0 million in outstanding subordinated debenture notes, which is detailed in the tables below and described further in Note 9 to the Condensed Consolidated Financial Statements included within this report.

At December 31, 2024, we had $40.0 million in outstanding subordinated debenture notes, which were issued to investors in two separate private placements, one in 2018 and one in 2024. On January 1, 2025, we redeemed $15.0 million of these subordinated debentures.

At both March 31, 2025 and December 31, 2024, we had $5.0 million in subordinated debentures issued through trusts due on March 17, 2034, but callable on March 17, 2025.

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 March 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
Subordinated debentures issued through trusts:					
Trust preferred due 2034	March 17, 2004	5,000	7.34% (3 mo SOFR + 2.79)%	June 17, 2025	March 17, 2034
		30,000			
Unamortized issuance costs		(841)			
		$ 29,159			

Subordinated Notes and Subordinated Debentures issued through Trusts as of December 31, 2024

(Dollars in thousands)	Issuance Date	Amount of Notes	Current Coupon	Next Call Date	Maturity Date
Subordinated notes:					
Fixed to floating due 2028 (issued at Bank)	September 28, 2018	$ 15,000	8.718% (3 mo SOFR + 4.03)%	January 1, 2025	October 1, 2028
Fixed to floating due 2034	August 22, 2024	25,000	9.00% (fixed)	September 1, 2029	September 1, 2034
Subordinated debentures issued through trusts:					
Trust preferred due 2034	March 17, 2004	5,000	7.74% (3 mo SOFR + 2.79)%	March 17, 2025	March 17, 2034
		45,000			
Unamortized issuance costs		(1,103)			
		$ 43,897			

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 senior notes and junior subordinated debentures. 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 2024 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 year's 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.

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; adequate levels of highly liquid marketable securities free of legal, regulatory, or operational impediments, that can be used to meet liquidity needs in stressful situations; 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, 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 "FHLB Advances" 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 we have ample liquidity resources to fund future growth and meet other cash needs as necessary.

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 March 31, 2025, 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 March 31, 2025						
Total capital to RWA	$627,393	12.74 %	$394,033	8.00 %	N/A	N/A
Tier 1 capital to RWA	$592,215	12.02 %	$295,525	6.00 %	N/A	N/A
Common Equity Tier 1 to RWA	$488,481	9.92 %	$221,644	4.50 %	N/A	N/A
Tier 1 capital to average assets (leverage)	$592,215	11.07 %	$213,931	4.00 %	N/A	N/A
As of December 31, 2024						
Total capital to RWA	$509,591	12.09 %	$337,246	8.00 %	N/A	N/A
Tier 1 capital to RWA	$469,977	11.15 %	$252,935	6.00 %	N/A	N/A
Common Equity Tier 1 to RWA	$361,404	8.57 %	$189,701	4.50 %	N/A	N/A
Tier 1 capital to average assets (leverage)	$469,977	8.77 %	$214,421	4.00 %	N/A	N/A
Northpointe Bank						
As of March 31, 2025						
Total capital to RWA	$598,837	12.16 %	$394,043	8.00 %	$492,553	10.00 %
Tier 1 capital to RWA	$588,659	11.95 %	$295,532	6.00 %	$394,043	8.00 %
Common Equity Tier 1 to RWA	$588,659	11.95 %	$221,649	4.50 %	$320,160	6.50 %
Tier 1 capital to average assets (leverage)	$588,659	11.01 %	$213,818	4.00 %	$267,273	5.00 %
As of December 31, 2024						
Total capital to RWA	$502,996	11.93 %	$337,246	8.00 %	$421,553	10.00 %
Tier 1 capital to RWA	$487,519	11.56 %	$252,932	6.00 %	$337,242	8.00 %
Common Equity Tier 1 to RWA	$487,519	11.56 %	$189,699	4.50 %	$274,010	6.50 %
Tier 1 capital to average assets (leverage)	$487,519	9.09 %	$214,419	4.00 %	$268,024	5.00 %

On March 31, 2025, we redeemed 5,000 shares of our 8.25% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A for $4.9 million. In 2024, we redeemed an additional 13,000 shares of the Series A Preferred Stock for $11.6 million. At March 31, 2025, we had a total of $98.7 million of preferred stock outstanding compared to $103.6 million at December 31, 2024.

Off-balance Sheet Arrangements

In the normal 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)	**March 31, 2025**	**December 31, 2024**
Commitments to fund loans held for investment	$ 3,099,817	$ 2,407,551
Unused Commitments	347,736	334,180

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 normal 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 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 March 31, 2025 and December 31, 2024 and are presented in the table below:

	Net Interest Income Sensitivity			
	12 Month Projection			
(Shock in basis points)	**-200**	**-100**	**+100**	**+200**
March 31, 2025	-11.98 %	-6.01 %	6.24 %	12.50 %
December 31, 2024	-8.91 %	-4.35 %	5.24 %	10.36 %

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, such as in 2020 and 2021. The results of the model are presented in the table below:

	Economic Value of Equity Sensitivity			
(Shock in basis points)	**-200**	**-100**	**+100**	**+200**
March 31, 2025	-1.33 %	-0.09 %	-0.12 %	-0.69 %
December 31, 2024	2.13 %	2.53 %	-1.88 %	-4.30 %

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. 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 March 31, 2025, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) 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 March 31, 2025, 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 March 31, 2025 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 2024 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.

There are no material changes during the period covered by this Report to the risk factors previously disclosed in the Company’s 2024 Form 10-K.

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

Unregistered Sales of Equity Securities

We made no unregistered sales of equity securities during the quarter ended March 31, 2025.

Issuer Purchases of Equity Securities

The Company has no publicly announced repurchase plans or programs.

The following table provides information regarding the Company’s purchase of its own common stock during the first quarter of 2025:

Northpointe Bancshares, Inc. Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid Per Share
January 1 - January 31, 2025	$ —	$ —
February 1 - February 28, 2025	—	—
March 1 - March 31, 2025	—	—

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the first quarter of 2025, none of our directors or officers 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 used in SEC regulations.

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.
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/ Brad T. Howes
Brad 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: May 15, 2025

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: May 15, 2025

/s/ Charles A. Williams
Charles A. Williams
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: May 15, 2025

/s/ Bradley T. Howes
Bradley T. Howes
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 Annual Report of the Company on Form 10-Q for the quarter ended March 31, 2025 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
Chief Executive Officer

/s/ Bradley T. Howes
Bradley T. Howes
Chief Financial Officer

Date: May 15, 2025