NEWS RELEASE

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BNCCORP, INC. REPORTS THIRD QUARTER NET INCOME OF $4.6 MILLION, OR $1.30 PER DILUTED SHARE

Highlights

- **Net income in the third quarter of 2019 was $4.6 million, or $1.30 per diluted share, compared to $1.1 million, or $0.30 per diluted share, in the third quarter of 2018, an increase of $3.6 million, or 333.6%**
- **Increase in earnings driven by significant increases in mortgage banking revenues and gains on sales of investments, partially offset by higher non-interest expense**
- **Return on assets was 1.78% and return on equity was 19.82% for the quarter ended September 30, 2019**
- **Net income in the first nine months of 2019 was $8.7 million, or $2.45 diluted earnings per share, compared to $5.6 million, or $1.58 diluted earnings per share, in the first nine months of 2018**
- **Return on assets was 1.15% and return on equity was 13.68% for the nine months ended September 30, 2019**
- **Nonperforming assets to total assets were 0.21% at September 30, 2019, compared to 0.17% at December 31, 2018**
- **Tangible book value increased $4.69 per share to $26.95 at September 30, 2019 from $22.26 at December 31, 2018**

BISMARCK, ND, October 28, 2019 – BNCCORP, INC. (BNC or the Company) (OTCQX Markets: BNCC), which operates community banking and wealth management businesses in North Dakota, Arizona and Minnesota, and has mortgage banking offices in Illinois, Kansas, Missouri, Michigan, Arizona, and North Dakota, today reported financial results for the third quarter ended September 30, 2019.

Net income in the third quarter of 2019 was $4.626 million, compared to $1.067 million in the same period of 2018. Third quarter 2019 diluted earnings per share rose to $1.30 from $0.30 in the third quarter of 2018. The increase in net income from the year-ago period primarily reflected relatively flat net interest income, significantly increased non-interest income driven by higher mortgage revenues, and gains on sales of assets, partially offset by higher non-interest expense, and a higher effective tax rate.

Net interest income in the third quarter increased by $131 thousand, or 1.8%, from the same quarter in 2018. Interest income increases related to loan growth and higher yields on interest earning assets were partially offset by deposit growth, increased cost of deposits, and higher borrowings used to fund growth in mortgage loans held for sale.

Non-interest income in the third quarter of 2019 increased by $7.959 million, or 200.0%, from the same period in 2018. In the third quarter of 2019, mortgage banking revenues were $8.952 million, or $6.198 million higher than a year ago. Gains on sale of assets were $1.746 million during the third quarter of 2019 as compared to none in the third quarter of 2018 as market conditions favored selling certain investment securities in the quarter.

Non-interest expense in the third quarter of 2019 increased by $3.065 million, or 31.3%, when compared to the third quarter of 2018, primarily due to increases in salary and employee benefits, professional services and other costs. The increase in salaries and employee benefits primarily relates to higher mortgage banking activity and higher accruals for incentive compensation. Professional services costs increased $766 thousand, or 91.2%, due to mortgage-related closing costs and increased legal and consulting expenses for various corporate purposes. Other expense increased $715 thousand, partially due to a replenishment of the mortgage warranty reserve and resolution of a litigation matter (see "Capital and Contingent Liabilities" section below for more information).

The provision for credit losses was $300 thousand in the third quarter of 2019 and $0 in the third quarter of 2018. The ratio of nonperforming assets to total assets was 0.21% at September 30, 2019, compared to 0.17% at December 31, 2018. The allowance for loan losses was 1.63% of loans and leases held for investment at September 30, 2019, compared to 1.64% at December 31, 2018.

Tangible book value per common share at September 30, 2019 was $26.95, compared to $22.26 at December 31, 2018, an increase of $4.69 per common share. Excluding accumulated other comprehensive income (loss), tangible book value per common share at September 30, 2019 was $26.58, compared to $24.24 at December 31, 2018 and $23.95 at September 30, 2018.

Management Comments

Timothy J. Franz, BNC President and Chief Executive Officer, said, "Results for BNC in the third quarter were exceptionally good as we earned $1.30 per diluted share and our return on equity was 19.82%. Lower interest rates helped our mortgage banking operations surge and we capitalized on a number of opportunities to recognize substantial gains on sales of investments. Although interest rates increased slightly near quarter-end, the housing market appears to be strong and economic conditions remain favorable for mortgage banking. In the near term, we are optimistic that our mortgage banking revenues will remain elevated compared to 2018. Overall, we are very pleased with the third quarter of 2019."

Mr. Franz continued, "Our credit quality metrics remain good and our banking teams continue to compete effectively for loans and core deposits. Overall, the year-to date $4.69 increase in tangible book value has been positive for shareholders and we look forward to executing in a manner that improves long-term shareholder value in the fourth quarter of 2019 and beyond."

Third Quarter 2019 Comparison to Third Quarter 2018

Net interest income for the third quarter of 2019 was $7.309 million, an increase of $131 thousand, or 1.8%, from $7.178 million in the same period of 2018. The increase from the year-ago period primarily reflected higher average loans and yields on earning assets, largely offset by higher average deposits and cost of funds and higher short-term borrowings to fund greater mortgage loan production. Interest rates have been declining in 2019. Falling interest rates generally result in lower net interest margin for the banking industry. Overall, the net interest margin decreased to 2.98% in the third quarter of 2019 from 3.07% in the third quarter of 2018.

Interest income increased $862 thousand, or 9.8%, to $9.698 million in the third quarter of 2019, compared to $8.836 million in the third quarter of 2018, due to higher average balances of loans held for investment and mortgage loans held for sale, combined with higher yields on earning assets, partially offset by lower average investment securities. The yield on average interest earning assets was 3.92% in the third quarter of 2019, compared to 3.74% in the third quarter of 2018. The average balance of interest earning assets in the third quarter of 2019 increased by $44.9 million compared to the same period of 2018. The average balance of loans and leases held for investment increased by $18.0 million, yielding $511 thousand of additional interest income, while the average balance of mortgage loans held for sale was $62.1 million higher than the same period of 2018, resulting in $471 thousand of additional interest income. The average balance of investment securities was $37.6 million lower in the third quarter of 2019 than in the third quarter of 2018, while the interest income thereon was $140 thousand lower than the prior period.

Interest expense in the third quarter of 2019 was $2.389 million, an increase of $731 thousand from the same period in 2018. The cost of interest-bearing liabilities was 1.20% in the current quarter, compared to 0.88% in the same period of 2018. Interest expense on deposits increased as a result of higher balances and market-driven cost increases for consumer certificates of deposit and money market accounts. The cost of core deposits in the third quarter of 2019 and 2018 was 0.89% and 0.57%, respectively.

Provision for credit losses was $300 thousand in the third quarter of 2019 and $0 in the third quarter of 2018.

Non-interest income for the third quarter of 2019 was $11.938 million, an increase of $7.959 million, or 200.0%, from $3.979 million in the third quarter of 2018. Mortgage banking revenues were $8.952 million in the third quarter of 2019, an increase of $6.198 million, or 225.1%, compared to $2.754 million in the third quarter of 2018, as lower interest rates induced higher mortgage banking origination activity and margins in mortgage banking operations improved. While mortgage banking revenues have been robust in recent months, this business generally experiences a seasonal slow-down in the winter months. Gains on sales of assets were $1.746 million higher in the third quarter of 2019 compared to the same period of 2018, due to investment securities sales. Gains on sales of assets and earnings from certain investments can vary significantly from period to period.

Non-interest expense for the third quarter of 2019 increased $3.065 million, or 31.3%, to $12.871 million, from $9.806 million in the third quarter of 2018. The majority of the increase in non-interest expense related to mortgage operations, primarily due to an increase in salaries and employee benefits resulting from higher mortgage banking activity and higher accruals for incentive compensation. Professional services costs increased $766 thousand or 91.2%, including $312 thousand related to mortgage related closing costs. The professional services increase also includes increased legal and consulting expenses for various corporate purposes. Other expense increased $715 thousand, or 131.2% from the prior year third quarter and included a $200 mortgage warranty reserve provision and resolution of a litigation matter.

In the third quarter of 2019, income tax expense was $1.450 million, compared to $284 thousand in the third quarter of 2018. The effective tax rate was 23.9% in the third quarter of 2019, compared to 21.0% in the same period of 2018. The increase in the effective tax rate is due to increased pre-tax revenues and lower non-taxable pre-tax interest income from municipal securities.

Net income was $4.626 million, or $1.30 per diluted share, in the third quarter of 2019. Net income in the third quarter of 2018 was $1.067 million, or $0.30 per diluted share.

Nine Months Ended 2019 Comparison to Nine Months Ended 2018

Net interest income in the first nine months of 2019 was $21.287 million, an increase of $187 thousand, or 0.9%, from $21.100 million in the same period of 2018. Overall, the net interest margin decreased to 2.98% in the first nine months of 2019 from 3.08% in the first nine months of 2018.

Interest income increased $2.853 million, or 11.2%, to $28.225 million in the nine-month period ended September 30, 2019, compared to $25.372 million in the nine-month period ended September 30, 2018. This increase is the result of higher average balances of cash and cash equivalents, loans and leases held for investment, taxable investments, and loans held for sale. The yield on average interest earning assets was 3.93% in the nine-month period ended September 30, 2019 and 3.69% in the same period of 2018. The average balance of interest earning assets increased by $40.7 million. The average balance of loans and leases held for investment increased by $25.6 million, yielding $1.9 million of additional interest income, while the average balance of mortgage loans held for sale was $29.0 million higher, generating $694 thousand of additional interest income. The average balance of investment securities was $20.6 million lower in the first nine months of 2019, but generated only $5 thousand less interest income as yields on taxable investments increased period over period. The average cash and cash equivalent balances increased by $6.5 million, equating to $209 thousand of additional interest income, when comparing the two periods.

Interest expense in the first nine months of 2019 was $6.938 million, an increase of $2.666 million from the same period in 2018. The cost of interest-bearing liabilities was 1.17% in the first nine months of 2019, compared to 0.78% in the same period of 2018. Period over period, interest expense increased on deposits, driven largely by increased balances and costs of consumer certificates of deposit and money market accounts. The cost of core deposits in the first nine months of 2019 and 2018 was 0.88% and 0.48%, respectively.

Provision for credit losses was $500 thousand in the first nine months of 2019 and $0 in the first nine months of 2018.

Non-interest income for the first nine months of 2019 was $23.497 million, an increase of $7.910 million, or 50.7%, from $15.587 million in the first nine months of 2018. Mortgage banking revenues were $17.267 million in the first nine months of 2019, an increase of $9.376 million, or 118.8%, when compared to $7.891 million in the first nine months of 2018. Gains on sales of assets were $279 thousand lower in the first nine months of 2019 compared to the same period of 2018. Gains on sales of assets can vary significantly from period to period.

Non-interest expense for the first nine months of 2019 increased $3.374 million, or 11.4%, to $32.962 million, from $29.588 million in the first nine months of 2018. The majority of the increase in non-interest expense related to mortgage operations. The increase in salaries and employee benefits primarily relates to higher mortgage banking activity and higher accruals for incentive compensation. Professional services expense increased $1.056 million or 42.3% compared to the first nine months of 2018, related to mortgage operating costs as well as legal and consulting costs and other corporate matters. Period over period, marketing and promotion expenses increased $289 thousand, or 9.2%, primarily due to the increased purchase of mortgage leads. Other expense increases include a mortgage warranty reserve related to significantly increased mortgage loan production and resolution of a litigation matter.

During the nine-month period ended September 30, 2019, income tax expense was $2.604 million, compared to $1.491 million in the first nine months of 2018. The effective tax rate was 23.0% in the first nine months of 2019, compared to 21.0% in the same period of 2018. The increase in the effective tax rate is due to increased pre-tax revenues and lower non-taxable pre-tax interest income from municipal securities.

Net income was $8.718 million, or $2.45 per diluted share, for the nine months ended September 30, 2019. Net income in the first nine months of 2018 was $5.608 million, or $1.58 per diluted share.

Assets, Liabilities and Equity

Total assets were $1.1 billion at September 30, 2019, an increase of $113.6 million, or 11.7%, compared to $971.0 million at December 31, 2018. Loans and leases held for investment aggregated $490.2 million at September 30, 2019, an increase of $21.7 million, or 4.6%, since December 31, 2018. Loans held for sale as of September 30, 2019 were higher by $124.3 million when compared to December 31, 2018 due to significantly higher mortgage loan production in 2019. Investment securities decreased $25.4 million from year-end 2018, while cash balances decreased $13.5 million.

Total deposits increased $34.8 million to $883.4 million at September 30, 2019, from $848.6 million at December 31, 2018. At September 30, 2019, core deposits, which include recurring customer repurchase agreement balances, increased $27.2 million to $887.3 million, or 3.2%, from $860.1 million as of December 31, 2018.

The table below shows total deposits since 2015:

(In Thousands)	September 30, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
ND Bakken Branches	$ 190,676	$ 185,713	$ 168,981	$ 178,677	$ 190,670
ND Non-Bakken Branches	459,649	431,246	435,255	384,476	388,630
Total ND Branches	650,325	616,959	604,236	563,153	579,300
Brokered Deposits	-	-	-	-	33,363
Other	233,057	231,646	213,570	189,474	167,786
Total Deposits	$ 883,382	$ 848,605	$ 817,806	$ 752,627	$ 780,449

Trust assets under management or administration increased 11.7%, or $37.5 million, to $357.9 million at September 30, 2019 from $320.4 million at December 31, 2018, as the Company has been able to capture wealth generated by commercial customers and convert new customers to BNC’s wealth management services. Since January 1, 2016, assets under management or administration have increased by approximately $109.6 million, or 44.1%.

Capital and Contingent Liabilities

Banks and bank holding companies operate under separate regulatory capital requirements.

At September 30, 2019, our capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

A summary of our capital ratios at September 30, 2019 and December 31, 2018 is presented below:

	September 30, 2019	December 31, 2018
BNCCORP, INC (Consolidated)		
Tier 1 leverage	10.44%	9.97%
Total risk based capital	18.46%	20.26%
Common equity tier 1 risk based capital	13.64%	14.67%
Tier 1 risk based capital	15.83%	17.28%
Tangible common equity	8.71%	7.99%
BNC National Bank		
Tier 1 leverage	10.51%	9.92%
Total risk based capital	17.12%	18.44%
Common equity tier 1 risk based capital	15.95%	17.19%
Tier 1 risk based capital	15.95%	17.19%

The Common Equity Tier 1 ratio, which is generally a comparison of a bank's core equity capital to its total risk weighted assets, is a measure of the current risk profile of our asset base from a regulatory perspective. The Tier 1 leverage ratio, which is based on average assets, does not consider the mix of risk-weighted assets. In recent periods, regulators have required Tier 1 leverage ratios that significantly exceed "Well Capitalized" ratio levels. As a result, management believes the Bank's Tier 1 leverage ratio is our most restrictive capital measurement and we are managing the Tier 1 leverage ratio to levels significantly above the "Well Capitalized" ratio threshold.

The Company routinely evaluates the sufficiency of its capital in order to ensure compliance with regulatory capital standards and to provide a source of strength for the Bank. We manage capital by assessing the composition of capital and the amounts available for growth, risk, or other purposes.

Tangible book value per common share of the Company was $26.95 as of September 30, 2019, compared to $22.26 at December 31, 2018. Tangible book value per common share, excluding accumulated other comprehensive income or (loss), was $26.58 as of September 30, 2019, compared to $24.24 at December 31, 2018 and $23.95 at September 30, 2018.

BNC was subject to an arbitration proceeding with former mortgage loan originators in which the claimant loan originators asserted overtime claims under the Fair Labor Standards Act. The matter was confidentially resolved to the satisfaction of all parties in September of 2019.

Asset Quality

The allowance for credit losses was $8.0 million at September 30, 2019, compared to $7.7 million at December 31, 2018. The allowance for credit losses as a percentage of total loans at September 30, 2019 decreased to 1.25%, from 1.57% at December 31, 2018. The allowance as a percentage of loans and leases held for investment at September 30, 2019 decreased to 1.63% from 1.64% at December 31, 2018.

Nonperforming assets were $2.3 million at September 30, 2019 and $1.7 million at December 31, 2018. The ratio of nonperforming assets to total assets was 0.21% at September 30, 2019 and 0.17% at December 31, 2018. Nonperforming loans were $2.3 million at September 30, 2019 and $1.7 million at December 31, 2018.

At September 30, 2019, BNC had $9.4 million of classified loans, $2.3 million of loans on non-accrual, no other real estate owned, and $41 thousand of repossessed assets. At December 31, 2018, BNC had $10.7 million of classified loans, $1.7 million of loans on non-accrual, no other real estate owned, and no repossessed assets. BNC had $7.1 million of potentially problematic loans, which are risk rated "watch list", at September 30, 2019, compared with $5.2 million as of December 31, 2018.

In recent periods, economic activity in western North Dakota, influenced by the energy sector, has improved. However, it will take time to absorb capacity built in earlier periods, particularly in the commercial real estate sector. The economy of this region is driven by the commodity-based industries of energy and agriculture, which can be volatile and impacted by a variety of influences including weather. Throughout the third quarter of 2019, North Dakota experienced an extreme amount of moisture. Early in the fourth quarter of 2019, North Dakota experienced a significant snowstorm that will negatively impact farming activity. It is too early to estimate the full impact of the recent excessive moisture and early season snowstorm will have. Previously, the impact of increases in global tariffs and lower commodity prices on North Dakota farmers added a measure of uncertainty about the strength of the region's agriculture sector. Prolonged periods of lower commodity prices or market disruption could have an adverse impact on our loan portfolio and our operating results.

BNCCORP, INC., headquartered in Bismarck, N.D., is a registered bank holding company dedicated to providing banking and wealth management services to businesses and consumers in its local markets. The Company operates community banking and wealth management businesses in North Dakota, Arizona and Minnesota from 13 locations. BNC also conducts mortgage banking from 11 locations in Illinois, Kansas, Missouri, Michigan, Arizona and North Dakota.

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

This press release contains references to financial measures which are not defined in GAAP. Such non-

GAAP financial measures include the tangible common equity to total period end assets ratio. These non-GAAP financial measures have been included as the Company believes they are helpful for investors to analyze and evaluate the Company’s financial condition.

(Financial tables attached)

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BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended September 30, 2019	For the Quarter Ended September 30, 2018	For the Nine Months Ended September 30, 2019	For the Nine Months Ended September 30, 2018
SELECTED INCOME STATEMENT DATA				
Interest income	$ 9,698	$ 8,836	$ 28,225	$ 25,372
Interest expense	2,389	1,658	6,938	4,272
Net interest income	7,309	7,178	21,287	21,100
Provision for credit losses	300	-	500	-
Non-interest income	11,938	3,979	23,497	15,587
Non-interest expense	12,871	9,806	32,962	29,588
Income before income taxes	6,076	1,351	11,322	7,099
Income tax expense	1,450	284	2,604	1,491
Net income	$ 4,626	$ 1,067	$ 8,718	$ 5,608
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 1.31	$ 0.31	$ 2.47	$ 1.61
Diluted earnings per common share	$ 1.30	$ 0.30	$ 2.45	$ 1.58

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended September 30, 2019	For the Quarter Ended September 30, 2018	For the Nine Months Ended September 30, 2019	For the Nine Months Ended September 30, 2018
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 637	$ 618	$ 1,962	$ 1,945
Wealth management revenues	431	462	1,306	1,398
Mortgage banking revenues	8,952	2,754	17,267	7,891
Gains on sales of loans, net	46	-	152	178
Gains on sales of investments, net	1,700	-	2,020	2,273
Other	172	145	790	1,902
Total non-interest income	$ 11,938	$ 3,979	$ 23,497	$ 15,587
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 6,402	$ 4,903	$ 16,895	$ 15,503
Professional services	1,606	840	3,555	2,499
Data processing fees	1,094	1,043	3,194	2,977
Marketing and promotion	1,361	1,256	3,414	3,125
Occupancy	517	580	1,610	1,745
Regulatory costs	122	130	379	405
Depreciation and amortization	368	381	1,090	1,179
Office supplies and postage	141	128	405	436
Other	1,260	545	2,420	1,719
Total non-interest expense	$ 12,871	$ 9,806	$ 32,962	$ 29,588
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,529,999	3,497,426	3,522,665	3,493,609
Incremental shares from assumed conversion of options and contingent shares	28,355	52,367	34,413	54,951
Adjusted weighted average shares (b)	3,558,354	3,549,793	3,557,078	3,548,560

(a) Denominator for basic earnings per common share
(b) Denominator for diluted earnings per common share

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share, per share and full time equivalent data)	As of September 30, 2019	As of December 31, 2018	As of September 30, 2018
SELECTED BALANCE SHEET DATA			
Total assets	$ 1,084,651	$ 971,027	$ 990,556
Loans held for sale-mortgage banking	147,107	22,788	30,701
Loans and leases held for investment	490,150	468,468	474,652
Total loans	637,257	491,256	505,353
Allowance for credit losses	(7,967)	(7,692)	(7,728)
Investment securities available for sale	386,158	411,509	432,294
Earning assets	1,022,729	910,051	934,072
Total deposits	883,382	848,605	863,900
Core deposits (1)	887,308	860,099	860,293
Other borrowings	90,833	36,503	44,702
Cash and cash equivalents	11,644	25,185	8,922
OTHER SELECTED DATA			
Net unrealized gains (losses) in accumulated other comprehensive income (loss)	$ 1,299	$ (6,928)	$ (9,082)
Trust assets under administration	$ 357,921	$ 320,414	$ 344,226
Total common stockholders' equity	$ 94,559	$ 77,753	$ 74,191
Tangible book value per common share (2)	$ 26.95	$ 22.26	$ 21.34
Tangible book value per common share excluding accumulated other comprehensive income (loss), net	$ 26.58	$ 24.24	$ 23.95
Full time equivalent employees	277	252	255
Common shares outstanding	3,508,298	3,493,298	3,477,426
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	13.64%	14.67%	14.15%
Tier 1 leverage (Consolidated)	10.44%	9.97%	9.95%
Tier 1 risk-based capital (Consolidated)	15.83%	17.28%	16.71%
Total risk-based capital (Consolidated)	18.46%	20.26%	19.66%
Tangible common equity (Consolidated)	8.71%	7.99%	7.47%
Common equity Tier 1 risk-based capital (Bank)	15.95%	17.19%	17.03%
Tier 1 leverage (Bank)	10.51%	9.92%	10.14%
Tier 1 risk-based capital (Bank)	15.95%	17.19%	17.03%
Total risk-based capital (Bank)	17.12%	18.44%	18.28%
Tangible common equity (Bank)	10.21%	9.53%	9.22%

(1) Core deposits consist of all deposits and repurchase agreements with customers and exclude certain brokered certificates of deposit.
(2) Tangible book value per common share is equal to book value per common share.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended September 30, 2019	For the Quarter Ended September 30, 2018	For the Nine Months Ended September 30, 2019	For the Nine Months Ended September 30, 2018
AVERAGE BALANCES				
Total assets	$ 1,032,363	$ 986,018	$ 1,015,190	$ 972,917
Loans held for sale-mortgage banking	88,484	26,433	53,464	24,498
Loans and leases held for investment	485,863	467,900	474,989	449,420
Total loans	574,347	494,333	528,453	473,918
Investment securities available for sale	395,413	432,980	413,463	434,106
Earning assets	973,050	928,139	955,869	915,139
Total deposits	879,054	849,136	877,555	840,059
Core deposits	883,183	846,612	883,021	836,137
Total equity	92,581	76,118	85,232	76,493
Cash and cash equivalents	15,986	14,157	27,320	20,498
KEY RATIOS				
Return on average common stockholders' equity (a)	19.82%	5.10%	13.68%	9.22%
Return on average assets (b)	1.78%	0.43%	1.15%	0.77%
Net interest margin	2.98%	3.07%	2.98%	3.08%
Efficiency ratio	66.88%	87.89%	73.60%	80.65%
Efficiency ratio (BNC National Bank)	62.91%	84.31%	69.94%	77.30%

(a) Return on average common stockholders' equity is calculated by using net income as the numerator and average common equity (less accumulated other comprehensive income (loss)) as the denominator.
(b) Return on average assets is calculated by using net income as the numerator and average total assets as the denominator.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of September 30, 2019	As of December 31, 2018	As of September 30, 2018
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ -	$ -	$ -
Non-accrual loans	2,264	1,686	1,724
Total nonperforming loans	$ 2,264	$ 1,686	$ 1,724
Repossessed assets, net	41	-	-
Total nonperforming assets	$ 2,305	$ 1,686	$ 1,724
Allowance for credit losses	$ 7,967	$ 7,692	$ 7,728
Troubled debt restructured loans	$ 3,258	$ 3,348	$ 3,360
Ratio of total nonperforming loans to total loans	0.36%	0.34%	0.34%
Ratio of total nonperforming assets to total assets	0.21%	0.17%	0.17%
Ratio of nonperforming loans to total assets	0.21%	0.17%	0.17%
Ratio of allowance for credit losses to loans and leases held for investment	1.63%	1.64%	1.63%
Ratio of allowance for credit losses to total loans	1.25%	1.57%	1.53%
Ratio of allowance for credit losses to nonperforming loans	352%	456%	448%

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	2019	2018	2019	2018
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 2,043	$ 1,769	$ 1,686	$ 1,978
Additions to nonperforming	409	71	1,172	228
Charge-offs	(117)	(57)	(138)	(150)
Reclassified back to performing	-	-	(242)	(26)
Principal payments received	(30)	(47)	(168)	(294)
Transferred to repossessed assets	(41)	(12)	(46)	(12)
Balance, end of period	$ 2,264	$ 1,724	$ 2,264	$ 1,724

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended September 30, 2019	For the Quarter Ended September 30, 2018	For the Nine Months Ended June 30, 2019	For the Nine Months Ended June 30, 2018
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 7,891	$ 7,788	$ 7,692	$ 7,861
Provision	300	-	500	-
Loans charged off	(230)	(71)	(269)	(214)
Loan recoveries	6	11	44	81
Balance, end of period	$ 7,967	$ 7,728	$ 7,967	$ 7,728
Ratio of net charge-offs to average total loans	(0.039)%	(0.012)%	(0.043)%	(0.028)%
Ratio of net charge-offs to average total loans, annualized	(0.156)%	(0.049)%	(0.057)%	(0.037)%

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of September 30, 2019	As of December 31, 2018	As of September 30, 2018
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 46,323	$ 45,241	$ 49,271
Construction	2,615	4,439	6,054
Agricultural	31,001	25,525	27,216
Land and land development	6,706	7,932	8,323
Owner-occupied commercial real estate	37,206	42,591	42,647
Commercial real estate	112,867	109,829	110,274
Small business administration	5,810	5,044	4,884
Consumer	65,231	62,212	61,759
Subtotal loans held for investment	$ 307,759	$ 302,813	$ 310,428
Consolidated			
Commercial and industrial	$ 73,091	$ 66,544	$ 68,169
Construction	13,423	21,257	17,029
Agricultural	31,039	26,426	28,118
Land and land development	11,024	11,398	11,376
Owner-occupied commercial real estate	50,713	56,916	55,788
Commercial real estate	180,125	174,868	184,462
Small business administration	48,921	32,505	31,223
Consumer	81,440	78,055	77,953
Total loans held for investment	$ 489,776	$ 467,969	$ 474,118