NEWS RELEASE

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BNCCORP, INC. REPORTS SECOND QUARTER NET INCOME OF $2.0 MILLION, OR $0.56 PER DILUTED SHARE

Highlights

- **Net income in the second quarter of 2022 was $2.0 million, or $0.56 per diluted share, compared to $4.2 million, or $1.17 per diluted share, during the same period of 2021.**
- **Mortgage revenue, as expected, decreased to $3.8 million in the second quarter of 2022, compared to $7.8 million during the same period of 2021.**
- **Return on assets and return on equity was 0.85% and 7.25%, respectively, for the quarter ended June 30, 2022, compared to 1.45% and 13.44%, respectively, for the quarter ended June 30, 2021.**
- **Tangible common equity ratio was 11.04% on June 30, 2022 compared to 10.98% on December 31, 2021.**
- **New loan origination activity during 2022 drove a $39.7 million, or 7.7%, increase in loans held for investment. Excluding Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, loans held for investment amounted to $557.6 million on June 30, 2022, compared to $517.9 million on December 31, 2021.**
- **Allowance for credit losses at June 30, 2022, was 1.52% of loans held for investment, excluding $709 thousand of SBA PPP loans, compared to 1.75% at December 31, 2021.**

BISMARCK, ND, July 29, 2022 – BNCCORP, INC. (BNC or the Company) (OTCQX Markets: BNCC), which operates community banking and wealth management businesses in North Dakota and Arizona and has mortgage banking offices in Illinois, Kansas, Michigan, Arizona, and North Dakota, today reported financial results for the second quarter ended June 30, 2022.

Overview of Quarter

Net income in the second quarter of 2022 was $2.0 million compared to $4.2 million in the same period of 2021. Second quarter 2022 earnings per diluted share was $0.56 versus $1.17 in the second quarter 2021. The year-over-year decrease was primarily due to lower mortgage revenues and net interest income, partially offset by lower non-interest expense.

Second quarter 2022 net interest income decreased by $38 thousand, or 0.5%, from the comparable 2021 quarter. Interest income decreased by $235 thousand, or 2.9%, from the second quarter of 2021 due to lower balances and yields on loans. This decrease was partially offset by higher balances and yields on debt securities as well as higher yields on interest-bearing cash. PPP fees were $55 thousand in the second quarter of 2022 compared to $206 thousand in the second quarter of 2021. Second quarter 2022 interest expense decreased by $197 thousand, or 32.2%, versus the second quarter of 2021 as the Company moved non-core deposits off the balance sheet at the end of the first quarter of 2022 through the use of an associated banking network. The Company also continues to manage the reduction in certificates of deposit balances.

Non-interest income in the second quarter of 2022 decreased by $3.9 million versus the same period in 2021. In the second quarter of 2022, mortgage banking revenues were $3.8 million, $4.0 million lower than the same period a year ago when the Company experienced a combination of historically high refinance originations and margins. Gains on sales of loans were $219 thousand in the second quarter of 2022, compared to losses of $1 thousand in the prior year period. Other income was impacted by the sale of the Company’s Golden Valley, MN property in the second quarter of 2022 and by the sale of the loans and deposits from the same location in the second quarter of 2021.

Non-interest expense in the 2022 second quarter decreased by $1.1 million, or 8.9%, versus the second quarter of 2021. Non-interest expenses related to mortgage operations decreased by $951 thousand, or 16.0%, as management matched the scale of operations based on the marketplace opportunity.

Nonperforming assets were $1.4 million on June 30, 2022, down from $1.7 million on December 31, 2021. The ratio of nonperforming assets-to-total-assets was 0.15% on June 30, 2022, down from 0.16% on December 31, 2021. The Company had no provision for credit losses in either the 2022 and 2021 second quarters. The allowance for credit losses decreased to 1.52% of loans held for investment (excluding $709 thousand of PPP loans) on June 30, 2022, compared to 1.75% on December 31, 2021 (excluding $11.9 million of PPP loans). The Company continues to monitor key industry data and will prudently adjust its allowance for credit losses as appropriate.

Tangible book value per common share on June 30, 2022, was $28.53, compared to $32.35 at December 31, 2021. The decline in tangible book value per common share was driven by dividends declared in May 2022 along with the negative impact of higher long-term rates on accumulated other comprehensive income (losses) partially offset by retained earnings. The Company's tangible common equity capital ratio was 11.04% on June 30, 2022, compared to 10.98% on December 31, 2021.

Total assets were $918.7 million as of June 30, 2022 compared to $1.0 billion on December 31, 2021. Total deposits were $794.0 million at June 30, 2022, compared to $906.7 million at December 31, 2021.

Management Commentary

"As our quarterly results indicate, we are continuing to drive performance and maintain a stable financial position that allow us to seize opportunities as they emerge," said Daniel J. Collins, BNC's President and Chief Executive Officer. "This disciplined, deliberate approach is an asset in any market, but particularly so in the face of the macroeconomic and geopolitical headwinds impacting the entire industry and particularly the mortgage sector. Over the last several quarters, we have transitioned our mortgage business from focusing on refinance transactions to purchase transactions, including adjusting our operations to match expected loan origination levels. In the second quarter, the volatile interest rate environment and inflation pressures added downward pressure on mortgage loan values and compressed margins. We continue to remain agile in actively addressing these changing conditions."

Collins continued, "Across the enterprise, we are intently focused on our core strengths: strong community banking relationships, sensible lending practices and a strong, stable, and forward-looking position in the marketplace. This disciplined focus helped drive a $39.7 million, or 7.7%, increase in loans held for investment in the first six months of 2022 while managing liquidity levels."

"As we look ahead to the rest of 2022, we plan to rely on our strong balance sheet and fiscal prudence to improve our financial performance and efficiently manage liquidity levels. Operationally, we have undertaken several initiatives to improve efficiency, productivity and strengthen our customers' experience. We are keenly focused on credit quality and how the potential impacts of inflation, government actions and other economic risk factors might affect us, but we remain encouraged by the momentum in generating loan growth in the businesses and communities we serve. We're confident that our superior customer service and broad range of financial products will continue to help us meet the needs of existing and prospective clients."

2022 Versus 2021 Second Quarter Comparison

Net interest income for the second quarter of 2022 was $7.4 million, a decrease of $38 thousand, or 0.5%, from $7.4 million in the second quarter of 2021, primarily the result of lower balances and yields on loans, partially offset by higher balances and yields on debt securities, higher yields on interest-bearing cash, and lower deposit balances and cost of deposits. PPP fees were $55 thousand in the second quarter of 2022 compared to $206 thousand in the second quarter of 2021. Net interest margin increased to 3.31% in the 2022 second quarter, compared to 2.72% in the year-earlier period.

Second quarter interest income decreased by $235 thousand, or 2.9%, to $7.8 million in 2022, compared to $8.0 million in the second quarter of 2021. The decrease is the result of lower loan balances, primarily lower balances of loans held for sale and PPP loans. The yield on average interest-earning assets was 3.50% in the second quarter of 2022, compared to 2.95% in the 2021 second quarter as the Company's variable rate assets have started to re-price in step with recent interest rate movements by the Federal Reserve.

The average balance of interest-earning assets in the 2022 second quarter decreased by $198.6 million from the same period of 2021, primarily due to a $139.7 million decrease in interest-bearing cash, by a decrease in average loans held for sale, and by a decrease in average loans held for investment (including PPP loans). Interest income for loans held for investment decreased $267 thousand on a period-over-period basis. The average balance of loans held for investment decreased by $20.7 million. The forgiveness of PPP loans accounted for $65.7 million of the decrease, which was partially offset by new origination activity. The average balance of mortgage loans held for sale was $50.2 million, $67.1 million lower than the same period of 2021. Interest income from loans held for sale decreased $323 thousand primarily due to lower average balances. The average balance of debt securities in the second quarter of 2022 was $196.9 million, $27.1 million higher than in the second quarter of 2021. Interest income from debt securities was $200 thousand higher compared to the same period of 2021.

Interest expense in the second quarter of 2022 was $415 thousand, a decrease of $197 thousand, or 32.2%, from the 2021 period. The average balance of deposits decreased by $173.4 million when comparing the second quarter of 2022 to 2021. The primary driver of the decrease was the movement of non-core deposits off the balance sheet at the end of the first quarter of 2022 through the use of an associated banking network coupled with managing the balances of our certificates of deposit. The cost of interest-bearing liabilities was 0.26% during the second quarter of 2022, compared to 0.30% in the same period of 2021. The cost of core deposits in the second quarters of 2022 and 2021 was 0.16% and 0.22%, respectively, as the Company continues to manage its overall cost of deposits.

As of June 30, 2022, credit metrics remained stable with $1.4 million of nonperforming assets, representing a 0.15% nonperforming assets-to-total-asset ratio, compared to $1.7 million and 0.16% on December 31, 2021. The Company had no provision for credit losses recorded in the second quarters of 2022 and 2021.

Non-interest income for the second quarter of 2022 was $5.8 million, compared to $9.6 million in the 2021 second quarter. The decrease was driven by a reduction in mortgage banking revenues to $3.8 million in the second quarter of 2022, versus $7.8 million in the prior-year period. The Company's mortgage business has transitioned to a lower level of originations compared to the historically high level of refinance activity and margins in the prior-year period. In the second quarter of 2022, BNC funded 718 mortgage loans with combined balances of $294.1 million, compared to 1,499 mortgage loans with combined balances of $536.3 million in the second quarter of 2021. Bank charges and service fees were $182 thousand higher when comparing the second quarter of 2022 to 2021 due to higher fees from letters of credit, deposit account charges, and from the movement of deposits to one-way sell positions. Wealth management revenues decreased $49 thousand, or 9.1%, as assets under administration decreased as a result of overall market declines relative to the 2021 period. Other income was impacted by the sale of the Company's Golden Valley, MN property in the second quarter of 2022 compared to the sale of the loans and deposits from the same location in the second quarter of 2021.

Non-interest expense for the second quarter of 2022 decreased $1.1 million, or 8.9%, to $10.5 million, from $11.6 million in the second quarter of 2021. Non-interest expenses related to mortgage operations decreased by $951 thousand, or 16.0%, as management scaled operations to match the marketplace opportunity. There were 125 full-time equivalent employees engaged in mortgage operations as of June

30, 2022, compared to 139 on June 30, 2021. Combined expenses for community banking and the holding company decreased by $83 thousand, or 1.5%, compared to the 2021 period primarily due to reduced salary and professional service expense that was partially offset by higher marketing and other expenses.

In the second quarter of 2022, income tax expense was $617 thousand, compared to $1.3 million in the second quarter of 2021. The effective tax rate was 23.5% in the second quarter of 2022, compared to 24.0% in the same period of 2021.

Net income was $2.0 million, or $0.56 per diluted share, in the second quarter of 2022, versus $4.2 million, or $1.17 per diluted share, in the second quarter of 2021.

2022 Versus 2021 Six-Month Comparison

Net interest income in the first half of 2022 was $14.3 million, a decrease of $2.2 million, or 13.3%, from $16.5 million in 2021. The decrease primarily reflects lower loan balances and lower yields on loans partially offset by higher yields on interest-bearing cash and balances of debt securities, lower cost of deposits, and a reduction in certificates of deposit. PPP fees were $282 thousand in the first half of 2022 compared to $2.5 million in the first half of 2021. Net interest margin decreased to 3.05% in the 2022 six-month period, compared to 3.13% in the year-earlier period.

Interest income decreased $2.6 million, or 14.9%, to $15.1 million for the six-month period of 2022, compared to $17.7 million in 2021. The decrease is the result of lower loan balances, primarily lower balances of loans held for sale and PPP loans, in addition to lower yields on loans held for investment. The yield on average interest-earning assets was 3.22% in the 2022 six-month period, compared to 3.37% in 2021.

The average balance of interest-earning assets in the first half of 2022 decreased by $114.5 million versus the same period of 2021, driven by decreases in interest-bearing cash, loans held for sale, and loans held for investment (including PPP loans) partially offset by a $26.1 million increase in debt securities year-over-year. Interest income for loans held for investment decreased $2.1 million. The average balance of loans held for investment decreased by $36.0 million period-over-period with PPP loans accounting for $62.0 million of the decrease. The average balance of mortgage loans held for sale was $55.1 million, $103.4 million lower than the same period of 2021. Interest income from loans held for sale decreased

$1.1 million due to lower average balances. The average balance of debt securities in the first half of 2022 was $200.6 million, $26.1 million higher than in the first half of 2021. Interest income from debt securities was $326 thousand higher compared to the same period of 2021.

Interest expense in the first half of 2022 was $807 thousand, a decrease of $467 thousand, or 36.7%, from the 2021 period. The cost of interest-bearing liabilities was 0.24% in the first six months, compared to 0.33% in the same period of 2021. The cost of core deposits in the first six months of 2022 and 2021 were 0.15% and 0.24%, respectively.

As of June 30, 2022, credit metrics remained stable with $1.4 million of nonperforming assets, representing a 0.15% nonperforming assets-to-total-asset ratio, compared to $1.7 million and 0.16% at December 31, 2021. The Company also credited provision expense to release $550 thousand of its allowance for credit losses in the first six months of 2022. By comparison, the Company had no provision for credit losses recorded in the first six months of 2021.

Non-interest income for the first six months of 2022 was $11.3 million compared to $27.1 million in the 2021 period. The decrease was driven by a reduction in mortgage banking revenues to $7.9 million in the first half of 2022 versus $23.8 million in the prior-year period. The Company's mortgage business has transitioned its mortgage business to a lower level of originations compared to the historically high level of refinance activity and margins in the prior-year period. In the first half of 2022, BNC funded 1,478 mortgage loans with combined balances of $594.3 million, compared to 3,925 mortgage loans with combined balances of $1.4 billion in the first half of 2021. Bank charges and service fees were $228 thousand, or 20.3%, higher when comparing the second quarter of 2022 to 2021 due to higher fees from letters of credit, deposit account charges, and from the movement of deposits to one-way sell positions. Wealth management revenues decreased $58 thousand, or 5.3%, as assets under administration decreased as a result of overall market declines relative to the 2021 period. Other income was impacted by the sale of the Company's Golden Valley, MN property in 2022 compared to the sale of the loans and deposits from the same location in 2021.

Non-interest expense for the first half of 2022 decreased $3.6 million, or 14.3%, to $21.6 million, from $25.2 million in the first half of 2021. Non-interest expenses related to mortgage operations activity decreased by $3.4 million, or 25.1%, as management scaled its operations to match the marketplace opportunity. Combined expenses for community banking and the holding company decreased by $178 thousand, or 1.5%, compared to the 2021 period primarily due to reduced salary and data processing expense that was partially offset by higher marketing, occupancy, and other expenses.

During the six-month period ended June 30, 2022, income tax expense was $1.1 million, compared to $4.5 million in the first half of 2021. The Company's effective tax rate was 23.5% in the first half of 2022, compared to 24.3% in the same period of 2021.

Net income was $3.5 million, or $0.97 per diluted share, for the six months ended June 30, 2022, versus $13.9 million, or $3.90 per diluted share, in the first six months of 2021.

Assets and Liabilities

Total assets were $918.7 million at June 30, 2022 versus $1.0 billion at December 31, 2021.

Total loans held for investment were $558.3 million on June 30, 2022 compared to $529.8 million on December 31, 2021. PPP loan balances, included in loans held for investment, were $709 thousand on June 30, 2022 compared to $11.9 million at December 31, 2021. Loans held for sale at June 30, 2022, were $65.6 million, a decrease of $15.3 million compared to December 31, 2021. Debt securities decreased $16.2 million from year-end 2021 while cash and cash equivalent balances totaled $61.1 million on June 30, 2022, compared to $188.1 million on December 31, 2021.

Total deposits decreased $112.6 million to $794.0 million at June 30, 2022, from $906.7 million at December 31, 2021. The Company was able to decrease deposit balances at the end of the first quarter of 2022 by moving non-core deposits off the balance sheet through the use of an associated banking network.

Trust assets under administration decreased 15.4%, or $63.1 million, to $346.4 million at June 30, 2022, from $409.5 million at December 31, 2021. The overall market declines have outpaced the new assets that the Company has placed under administration.

Asset Quality

The allowance for credit losses was $8.5 million at June 30, 2022, and $9.1 million at December 31, 2021. The allowance as a percentage of loans held for investment on June 30, 2022 decreased to 1.52% from

1.71% as of December 31, 2021. Excluding PPP loans, which are 100% guaranteed by the SBA, the allowance for credit losses as a percentage of loans held for investment on June 30, 2022, decreased to 1.52% compared to 1.75% on December 31, 2021.

Nonperforming assets, consisting of loans, decreased to $1.4 million at June 30, 2022 compared to $1.7 million at December 31, 2021. The ratio of nonperforming assets-to-total-assets was 0.15% at June 30, 2022, and 0.16% at December 31, 2021. As of June 30, 2022, the Company did not hold any other real estate and held $15 thousand in repossessed assets. As of December 31, 2021, the Company did not hold any other real estate and held $17 thousand in repossessed assets.

As of June 30, 2022, classified loans decreased to $3.7 million with $1.4 million of loans on non-accrual. As of December 31, 2021, BNC had $8.5 million of classified loans and $1.7 million of loans on non-accrual. At the end of the second quarter of 2022, BNC had $6.2 million of potentially problematic loans, which are risk rated “watch list”, compared with $6.5 million as of December 31, 2021.

The Company continues to monitor the effects of the pandemic and its potential impact on customers as one factor among numerous macroeconomic and geopolitical considerations when monitoring the performance of its loan portfolio and adjusting its allowance for credit losses.

BNC’s loans held for investment are geographically concentrated in North Dakota and Arizona, comprising 61% and 22% of the Company’s total loan held for investment portfolio, respectively.

The North Dakota economy is influenced by the energy and agriculture industries. Energy supply and demand factors have recently increased oil prices, benefiting the oil industry and ancillary services. Legislation and economic conditions remain potential risks to energy markets and production activity and could present potential challenges to credit quality in North Dakota. The Arizona economy is influenced by the leisure and travel industries. Positive trends in both industries have been noted, but an extended slowdown in these industries may negatively impact credit quality in Arizona. BNC’s portfolio is constructed of various sized loans spread over a large number of industry sectors, although the Company manages meaningful concentrations of loans in hospitality and commercial real estate.

The following table approximately describes the Company's concentrations by industry. The amounts presented therein exclude PPP loans of $709 thousand and $11.9 million as of June 30, 2022 and December 31, 2021, respectively (in thousands):

Loans Held for Investment by Industry Sector

	June 30, 2022		December 31, 2021	
Non-owner occupied commercial real estate – not otherwise categorized	$ 160,866	29 %	$ 157,608	30 %
Hotels	83,300	15	78,473	15
Consumer, not otherwise categorized	82,181	15	75,519	14
Healthcare and social assistance	40,988	7	36,531	7
Retail trade	32,300	6	35,173	7
Agriculture, forestry, fishing and hunting	28,808	5	26,922	5
Transportation and warehousing	22,805	4	21,499	4
Non-hotel accommodation and food service	20,890	4	18,838	4
Construction contractors	12,492	2	11,458	2
Other service	11,582	2	12,543	2
Mining, oil and gas extraction	11,249	2	10,327	2
Arts, entertainment and recreation	8,936	1	5,936	1
Professional, scientific, and technical services	7,236	1	3,738	1
Manufacturing	5,802	1	4,697	1
Educational Services	4,860	1	1,724	-
Real estate and rental and leasing support services	4,603	1	3,750	1
Public administration	4,467	1	3,108	1
Finance and insurance	3,949	1	2,692	1
Wholesale trade	3,908	1	3,325	1
All other	5,436	1	3,644	1
Gross loans held for investment (excluding PPP loans)	$ 556,658	100 %	$ 517,505	100 %

The Company's loans within the hospitality industry have shown signs of recovery that are reflected by hotel occupancy and restaurant utilization trends. Hotel operators in BNC's loan portfolio are reporting positive trends, and in some cases stronger balance sheets. Despite these positive indications, labor shortages limit capacity in some cases, and potential inflationary impacts on travel and leisure activities continue to be a closely monitored.

While the Company's loan portfolio and credit risk may still be subject to pandemic related risks, management believes that this potential risk remains qualitatively captured in the Company's allowance for credit losses.

Capital

Banks and bank holding companies operate under separate regulatory capital requirements. As of June 30, 2022, the Company's capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

A summary of BNC's capital ratios at June 30, 2022, and December 31, 2021, is presented below:

	June 30, 2022	December 31, 2021
BNCCORP, INC. (Consolidated)		
Tier 1 leverage	13.13%	11.74%
Common equity tier 1 risk based capital	14.50%	16.54%
Tier 1 risk based capital	16.49%	18.77%
Total risk based capital	17.62%	20.02%
Tangible common equity	11.04%	10.98%
BNC National Bank		
Tier 1 leverage	12.57%	10.65%
Common equity tier 1 risk based capital	15.79%	17.02%
Tier 1 risk based capital	15.79%	17.02%
Total risk based capital	16.92%	18.27%

The Common Equity Tier 1 ratio, which is generally a comparison of a bank's core equity capital to its total risk weighted assets, is a measure of the current risk profile of the Bank's asset base from a regulatory perspective. The Tier 1 leverage ratio, which is based on average assets, does not consider the mix of risk-weighted assets.

The Company regularly evaluates the sufficiency of its capital to ensure compliance with regulatory capital standards and to serve as a source of strength for the Bank. The Company manages capital by assessing the composition of capital and the amounts available for growth, risk, or other purposes. The Company made an election at the adoption of BASEL III to exclude changes in accumulated other comprehensive income from the calculation of regulatory ratios.

About BNCCORP, INC.

BNCCORP, INC., headquartered in Bismarck, N.D., is a registered bank holding company dedicated to providing banking and wealth management services to businesses and consumers in its local markets. The Company operates community banking and wealth management businesses in North Dakota and Arizona from 11 locations. BNC also conducts mortgage banking from 9 locations in Illinois, Kansas, 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", "at the present time". "plan", "optimistic", "intend", "estimate", "may", "will", "would", "could", "should", "future" and other expressions relating to future periods. Examples of forward-looking statements include, among others, statements we make regarding our expectations regarding future market conditions and our ability to capture opportunities and pursue growth strategies, our expected operating results such as revenue growth and earnings and our expectations of the effects of the regulatory environment or current or future pandemics on our earnings for the foreseeable future. Forward-looking statements are neither historical facts nor assurances of future performance. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, but are not limited to: the impact of pandemics, the impact of current and future regulation; the risks of loans and investments, including dependence on local and regional economic conditions; competition for our customers from other providers of financial services; possible adverse effects of changes in interest rates, including the effects of such changes on 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 tangible common equity to total period end assets ratio. These non-GAAP financial measures have been included as the Company believes they are helpful for investors to analyze and evaluate the Company's financial condition.

(Financial tables attached)

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BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended June 30, 2022	For the Quarter Ended June 30, 2021	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
SELECTED INCOME STATEMENT DATA				
Interest income	$ 7,793	$ 8,028	$ 15,094	$ 17,747
Interest expense	415	612	807	1,274
Net interest income	7,378	7,416	14,287	16,473
Credit for credit losses	-	-	(550)	-
Non-interest income	5,778	9,631	11,290	27,121
Non-interest expense	10,530	11,564	21,575	25,185
Income before income taxes	2,626	5,483	4,552	18,409
Income tax expense	617	1,316	1,070	4,477
Net income	$ 2,009	$ 4,167	$ 3,482	$ 13,932
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.56	$ 1.17	$ 0.97	$ 3.90
Diluted earnings per common share	$ 0.56	$ 1.17	$ 0.97	$ 3.90

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share data)	For the Quarter Ended June 30, 2022	For the Quarter Ended June 30, 2021	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 753	$ 571	$ 1,353	$ 1,125
Wealth management revenues	492	541	1,028	1,086
Mortgage banking revenues	3,782	7,789	7,924	23,847
Gains (losses) on sales of loans, net	219	(1)	239	96
Other	532	731	746	967
Total non-interest income	$ 5,778	$ 9,631	$ 11,290	$ 27,121
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 5,219	$ 6,005	$ 11,160	$ 13,619
Professional services	966	1,567	1,916	3,339
Data processing fees	998	1,074	1,971	2,239
Marketing and promotion	1,437	977	2,792	1,976
Occupancy	527	524	1,110	1,074
Regulatory costs	121	118	240	233
Depreciation and amortization	306	316	617	644
Office supplies and postage	107	113	217	246
Other	849	870	1,552	1,815
Total non-interest expense	$ 10,530	$ 11,564	$ 21,575	$ 25,185
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,574,783	3,572,229	3,573,600	3,571,823
Dilutive effect of share-based compensation	846	549	903	480
Adjusted weighted average shares (b)	3,575,629	3,572,778	3,574,503	3,572,303

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share, per-share and full-time equivalent data)	As of June 30, 2022	As of December 31, 2021	As of June 30, 2021
SELECTED BALANCE SHEET DATA			
Total assets	$ 918,659	$ 1,047,372	$ 1,028,909
Loans held for sale-mortgage banking	65,616	80,923	104,001
Loans held for investment	558,281	529,793	543,994
Total loans	623,897	610,716	647,995
Allowance for credit losses	(8,487)	(9,080)	(10,293)
Cash and cash equivalents	61,072	188,060	152,310
Debt securities available for sale	192,743	208,978	186,326
Earning assets	862,717	991,451	971,864
Total deposits	794,047	906,668	870,428
Core deposits (1)	794,047	906,668	871,928
Other borrowings	15,000	15,001	16,503
OTHER SELECTED DATA			
Net unrealized (losses) gains in accumulated other comprehensive income	$ (7,777)	$ 3,154	$ 5,965
Trust assets under administration	346,372	409,471	427,390
Total common stockholders' equity	101,502	114,986	131,170
Tangible book value per common share (2)	28.53	32.35	37.00
Tangible book value per common share excluding accumulated other comprehensive income, net	30.72	31.46	35.32
Full time equivalent employees	262	281	293
Common shares outstanding	3,557,383	3,554,983	3,545,356
CAPITAL RATIOS			
Tier 1 leverage (Consolidated)	13.13%	11.74%	12.10%
Common equity Tier 1 risk-based capital (Consolidated)	14.50%	16.54%	19.18%
Tier 1 risk-based capital (Consolidated)	16.49%	18.77%	21.49%
Total risk-based capital (Consolidated)	17.62%	20.02%	22.74%
Tangible common equity (Consolidated)	11.04%	10.98%	12.75%
Tier 1 leverage (Bank)	12.57%	10.65%	10.51%
Common equity Tier 1 risk-based capital (Bank)	15.79%	17.02%	18.66%
Tier 1 risk-based capital (Bank)	15.79%	17.02%	18.66%
Total risk-based capital (Bank)	16.92%	18.27%	19.91%
Tangible common equity (Bank)	12.11%	11.30%	12.43%

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended June 30, 2022	For the Quarter Ended June 30, 2021	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
AVERAGE BALANCES				
Total assets	$ 949,422	$ 1,149,716	$ 1,001,690	$ 1,124,845
Loans held for sale-mortgage banking	50,196	117,259	55,072	158,447
Loans and leases held for investment	545,953	566,647	537,622	573,579
Total loans	596,149	683,906	592,694	732,026
Cash and cash equivalents	114,462	253,966	167,600	170,467
Debt securities available for sale	196,947	169,855	200,634	174,493
Earning assets	893,148	1,091,782	945,930	1,060,426
Total deposits	816,891	990,276	865,894	956,603
Core deposits	817,160	992,834	866,147	960,209
Total equity	105,520	130,141	110,008	129,046
KEY RATIOS				
Return on average common stockholders' equity (a)	7.25%	13.44%	6.27%	22.89%
Return on average assets (b)	0.85%	1.45%	0.70%	2.50%
Net interest margin	3.31%	2.72%	3.05%	3.13%
Efficiency ratio (Consolidated)	80.04%	67.84%	84.35%	57.77%
Efficiency ratio (Bank)	78.09%	66.65%	82.41%	56.94%

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of June 30, 2022	As of December 31, 2021	As of June 30, 2021
ASSET QUALITY			
Loans 90 days or more delinquent and accruing interest	$ -	$ -	$ -
Non-accrual loans	1,406	1,673	2,601
Total nonperforming loans	$ 1,406	$ 1,673	$ 2,601
Repossessed assets, net	15	17	-
Total nonperforming assets	$ 1,421	$ 1,690	$ 2,601
Allowance for credit losses	$ 8,487	$ 9,080	$ 10,293
Troubled debt restructured loans	$ 985	$ 1,029	$ 1,938
Ratio of total nonperforming loans to total loans	0.23%	0.27%	0.40%
Ratio of total nonperforming assets to total assets	0.15%	0.16%	0.25%
Ratio of nonperforming loans to total assets	0.15%	0.16%	0.25%
Ratio of allowance for credit losses to loans held for investment	1.52%	1.71%	1.89%
Ratio of allowance for credit losses to total loans	1.36%	1.49%	1.59%
Ratio of allowance for credit losses to nonperforming loans	604%	543%	396%

	For the Quarter Ended June 30,		For the Six Months Ended June 30,	
(In thousands)	2022	2021	2022	2021
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 1,466	$ 2,605	$ 1,673	$ 2,612
Additions to nonperforming	-	19	73	112
Charge-offs	-	-	(47)	(83)
Reclassified back to performing	-	-	(165)	-
Principal payments received	(45)	(23)	(113)	(40)
Transferred to repossessed assets	(15)	-	(15)	-
Balance, end of period	$ 1,406	$ 2,601	$ 1,406	$ 2,601

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended June 30, 2022	For the Quarter Ended June 30, 2021	For the Six Months Ended June 30, 2022	For the Six Months Ended June 30, 2021
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 8,475	$ 10,277	$ 9,080	$ 10,324
Credit	-	-	(550)	-
Loans charged off	(5)	(4)	(74)	(69)
Loan recoveries	17	20	31	38
Balance, end of period	$ 8,487	$ 10,293	$ 8,487	$ 10,293
Ratio of net recoveries (charge-offs) to average total loans	0.002%	0.002%	(0.007)%	(0.004)%
Ratio of net recoveries (charge-offs) to average total loans, annualized	0.008%	0.009%	(0.015)%	(0.008)%

(In thousands)	As of June 30, 2022	December 31, 2021	June 30, 2021
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 46,485	$ 44,225	$ 41,695
Construction	10,154	8,815	4,368
Agricultural	28,363	26,279	28,539
Land and land development	7,740	15,475	6,316
Owner-occupied commercial real estate	38,535	35,781	32,730
Commercial real estate	111,625	104,889	102,860
Small business administration	19,673	25,232	30,266
Consumer	74,770	67,370	70,893
Subtotal gross loans held for investment	$ 337,345	$ 328,066	$ 317,667
Consolidated			
Commercial and industrial	$ 84,286	$ 62,501	$ 56,598
Construction	16,994	16,121	18,999
Agricultural	28,501	26,422	28,692
Land and land development	12,005	17,185	7,835
Owner-occupied commercial real estate	73,739	69,072	63,076
Commercial real estate	206,688	201,043	197,627
Small business administration	46,589	58,759	90,862
Consumer	88,564	78,297	80,846
Total gross loans held for investment	$ 557,366	$ 529,400	$ 544,535