NEWS RELEASE

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BNCCORP, INC. REPORTS THIRD QUARTER NET INCOME OF $1.1 MILLION, OR $0.30 PER DILUTED SHARE

Highlights

- **Net income in the third quarter of 2018 was $1.1 million compared to $2.1 million in the third quarter of 2017, primarily reflecting higher non-interest income a year ago**
- **Net income in the first nine months of 2018 increased by $1.1 million, or 23.3%, to $5.6 million, or $1.58 per diluted share, compared to $4.6 million, or $1.28 per diluted share, in the same period of 2017**
- **Loans and leases held for investment increased to $474.7 million, rising $46.3 million, or 10.8%, since December 31, 2017**
- **Core deposits increased to $860.3 million, rising $24.4 million, or 2.9%, since December 31, 2017**
- **Nonperforming assets to total assets improved to 0.17% at September 30, 2018, from 0.21% at December 31, 2017**
- **Trust assets under administration rose 9.5% from the prior year third quarter**

BISMARCK, ND, October 29, 2018 – 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, Minnesota, Arizona, and North Dakota, today reported financial results for the third quarter ended September 30, 2018.

Net income in the third quarter of 2018 was $1.067 million, compared to $2.053 million in the same period of 2017. Third quarter 2018 diluted earnings per share was $0.30 compared to $0.58 in the third quarter of 2017. The decrease in net income from the year-ago period primarily reflects lower non-interest income, most notably mortgage banking revenues and gains on sales of loans and investments, as compared with the year-ago quarter.

Net interest income in the 2018 third quarter decreased $79 thousand, or 1.1%, from the same quarter in 2017.

Non-interest income in the third quarter of 2018 decreased by $1.201 million, or 23.2%, from the same period in 2017. The decrease is primarily due to $793 thousand lower gains on sales of investment securities as BNC did not sell any investment securities in the third quarter 2018. Decreased mortgage banking revenue of $308 thousand also contributed to lower non-interest income in the quarter.

Non-interest expense in the third quarter of 2018 increased by $230 thousand, or 2.4%, when compared to the third quarter of 2017, as lower salaries and employee benefit costs and professional service costs were offset by higher marketing and promotion costs in mortgage banking operations.

The provision for credit losses was $0 in the third quarter of 2018 and $100 thousand in the third quarter of 2017. The ratio of nonperforming assets to total assets decreased to 0.17% at September 30, 2018, from 0.21% at December 31, 2017. The allowance for loan losses was 1.63% of loans and leases held for investment at September 30, 2018, compared to 1.84% at December 31, 2017.

Book value per common share at September 30, 2018 was $21.34 compared to $22.40 at December 31, 2017. Excluding accumulated other comprehensive loss or income, book value per common share at September 30, 2018 was $23.95, compared to $22.38 at December 31, 2017 and $22.27 at September 30, 2017.

Management Comments

Timothy J. Franz, BNC President and Chief Executive Officer, said, “We are very pleased with the performance of our commercial banking operations in the aggregate and each region. The 10.8% year to date growth in loans held for investment is very strong as our North Dakota banking continues to build on its solid base. Recent strategic investments in commercial bankers in Arizona and Minnesota are producing results as each of these regions have contributed double digit growth in loans held for investment this year. Importantly, these teams have maintained very good credit quality metrics while achieving strong loan growth. Our commercial bankers are equally focused on depository relationships as deposit-rich franchises like BNC create significant value for shareholders."

Mr. Franz continued, "The economics in western North Dakota related to energy continue to strengthen and our customer base in the agricultural sector has thus far managed soft market conditions very well. Overall, economic conditions in the United States have created tailwinds for many businesses and we look forward to capturing our share of this growth in all regions, particularly Arizona and Minnesota. Our capital position remains strong and supportive of growth thanks to the people of BNC delivering relationship-based banking services and participating actively in our communities, which improves our communities and creates value for shareholders."

Third Quarter 2018 Comparison to Third Quarter 2017

Net interest income for the third quarter of 2018 was $7.178 million, a decrease of $79 thousand, or 1.1%, from $7.257 million in the same period of 2017. The slight decrease reflects the benefit of higher balances of loans held for investment, and yields thereon, offset by increased deposit costs. Overall, the net interest margin decreased to 3.07% in the third quarter of 2018 from 3.08% in the third quarter of 2017.

Interest income increased $617 thousand, or 7.5%, to $8.836 million in the third quarter of 2018, compared to $8.219 million in the third quarter of 2017, as a result of higher balances and yields on loans held for investment. The yield on average interest earning assets was 3.74% in the third quarter of 2018 compared to 3.48% in the third quarter of 2017. The average balance of interest earning assets in the third quarter of 2018 decreased by $8.1 million compared to the same period of 2017. The average balance of loans and leases held for investment increased by $41.2 million, yielding $668 thousand of additional interest income, while the average balance of mortgage loans held for sale was lower by $3.1 million than the same period of 2017. The average balance of investment securities was $20.3 million lower in the third quarter of 2018 than in the third quarter of 2017. Average cash balances decreased $26.5 million quarter to quarter.

Interest expense in the third quarter of 2018 was $1.658 million, an increase of $696 thousand from the same period in 2017. The cost of interest bearing liabilities was 0.88% in the current quarter compared to 0.51% in the same period of 2017. Interest expense increased on deposits as a result of market-driven cost increases for consumer certificates of deposit and money market accounts. The cost of core deposits in the third quarter of 2018 and 2017 was 0.57% and 0.32%, respectively. As a relationship driven bank, BNC has successfully grown its deposit base over many years by offering a valuable banking relationship. In recent periods, certain competitors have introduced higher commodity-based pricing into some of our markets. The increase in interest expense is primarily attributed to rate adjustments to effectively preserve our valuable deposits franchise, particularly for certain money market accounts.

Provision for credit losses was $0 in the third quarter of 2018 and $100 thousand in the third quarter of 2017.

Non-interest income for the third quarter of 2018 was $3.979 million, a decrease of $1.201 million, or 23.2%, from $5.180 million in the third quarter of 2017. Gains on sales of investments were $793 thousand lower in the third quarter of 2018 compared to the same period of 2017. Mortgage banking revenue was $2.754 million in the third quarter of 2018, a decrease of $308 thousand when compared to $3.062 million in the third quarter of 2017, due to a variety of macro-economic challenges facing the mortgage industry. 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 2018 increased $230 thousand or 2.4%, to $9.806 million, from $9.576 million in the third quarter of 2017. Salaries and employee benefits expense and professional costs both decreased compared to third quarter of 2017 as a result of lower mortgage costs and legal expenses. Marketing and promotion expenses increased $477 thousand, or 61.2%, in line with our increased number of mortgage producers and the increased market cost of quality mortgage loan leads.

In the third quarter of 2018, income tax expense was $284 thousand, compared to $708 thousand in the third quarter of 2017. The effective tax rate was 21.0% in the third quarter of 2018, compared to 25.6% in the same period of 2017. The decrease in the effective tax rate is primarily due to the enactment of federal tax legislation on December 22, 2017 that reduced the statutory federal tax rate to 21.0% effective beginning January 1, 2018. The impact of the tax rate change was partially offset by a reduction in non-taxable income resulting from the first quarter 2018 sale of certain tax-exempt municipal bonds resulting in a $2.1 million gain.

Net income was $1.067 million, or $0.30 per diluted share, in the third quarter of 2018. Net income in the third quarter of 2017 was $2.053 million, or $0.58 per diluted share.

<u>Nine Months Ended 2018 Comparison to Nine Months Ended 2017</u>

Net interest income in the first nine months of 2018 was $21.100 million, an increase of $271 thousand, or 1.3%, from $20.829 million in the same period of 2017. Overall, the net interest margin increased to 3.08% in the first nine months of 2018 from 3.04% in the first nine months of 2017.

Interest income increased $1.938 million, or 8.3%, to $25.372 million in the nine-month period ended September 30, 2018, compared to $23.434 million in the nine-month period ended September 30, 2017. This increase is the result of higher balances and yields on loans and leases held for investment and taxable investments. The yield on average interest earning assets was 3.69% in the nine-month period ended September 30, 2018 and 3.42% in the same period of 2017. The average balance of interest earning assets decreased by $353 thousand. The average balance of loans and leases held for investment increased by $30.5 million, yielding $1.540 million of additional interest income, while the average balance of mortgage loans held for sale decreased $3.0 million from the same period of 2017. The average balance of investment securities was $4.9 million higher in the first nine months of 2018 than in the first nine months of 2017, yielding $591 thousand in additional interest income. The average balance of cash held at the Federal Reserve decreased by $33.2 million when comparing the two periods.

Interest expense in the first nine months of 2018 was $4.272 million, an increase of $1.667 million or 64.0% from the same period in 2017. The cost of interest bearing liabilities was 0.78% in the first nine months compared to 0.48% in the same period of 2017. Interest expense increased on deposits, driven largely by increased cost of consumer certificates of deposit and certain money market accounts. The cost of core deposits in the first nine months of 2018 and 2017 was 0.48% and 0.28%, respectively.

Provision for credit losses was $0 in the first nine months of 2018 and $250 thousand in the first nine months of 2017.

Non-interest income for the first nine months of 2018 was $15.587 million, an increase of $503 thousand, or 3.3%, from $15.084 million in the first nine months of 2017. Gains on sales of assets were $516 thousand higher in the first nine months of 2018 compared to the same period of 2017. Mortgage banking revenues were $7.891 million in the first nine months of 2018, a decrease of $747 thousand or 8.6% when compared to $8.638 million in the first nine months of 2017. Other income year-to-date 2018 includes $1.442 million of income resulting from the divestiture of a portfolio company by one of our SBIC Fund investments. Other income year-to-date 2017 includes funds associated with a legal settlement. Gains on sales of assets and earnings from certain investments can vary significantly from period to period.

Non-interest expense for the first nine months of 2018 was $29.6 million and approximately flat to the same period in 2017. Salaries and employee benefits expense was relatively unchanged from the prior period. Professional services expense decreased compared to the first nine months of 2017 by $630 thousand, or 20.1%, primarily due to reduced mortgage banking volumes and reduced legal fees. Marketing and promotion expenses increased $563 thousand, or 22.0%, largely attributed to increased competition for mortgage banking leads.

During the nine-month period ended September 30, 2018, income tax expense was $1.491 million, compared to $1.549 million in the first nine months of 2017. The effective tax rate was 21.0% in the first nine months of 2018, compared to 25.4% in the same period of 2017. The decrease in the effective tax rate is primarily due to the enactment of federal tax legislation effective December 22, 2017 that reduced the statutory federal tax rate to 21% effective beginning January 1, 2018. The impact of the tax rate change was partially offset by a reduction in non-taxable income related to the first quarter 2018 sale of certain tax-exempt municipal bonds resulting in a $2.1 million gain.

Net income increased $1.1 million to $5.608 million, or $1.58 per diluted share, for the nine months ended September 30, 2018 compared to $4.549 million, or $1.28 per diluted share, for the same period of 2017.

Assets, Liabilities and Equity

Total assets were $990.6 million at September 30, 2018, an increase of $44.4 million, or 4.7%, compared to $946.1 million at December 31, 2017. Loans and leases held for investment aggregated $474.7 million at September 30, 2018, an increase of $46.3 million, or 10.8%, since December 31, 2017. Loans held for sale as of September 30, 2018 decreased $5.9 million from December 31, 2017. Investment securities increased $20.4 million from year-end 2017, while cash balances decreased $16.9 million.

Total deposits increased $46.1 million to $863.9 million at September 30, 2018, compared to $817.8 million at December 31, 2017. At September 30, 2018, total deposits include $20.0 million of brokered deposits compared to $30.0 million at the end of June 30, 2018. At September 30, 2018, core deposits, which include recurring customer repurchase agreement balances, increased $24.4 million to $860.3 million, or 2.9%, from $835.8 million as of December 31, 2017.

The table below shows total deposits since 2014:

(In Thousands)	September 30, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
ND Bakken Branches	$ 176,025	$ 168,981	$ 178,677	$ 190,670	$ 178,565
ND Non-Bakken Branches	454,163	435,255	384,476	388,630	433,129
Total ND Branches	630,188	604,236	563,153	579,300	611,694
Brokered Deposits	20,000	-	-	33,363	53,955
Other	213,712	213,570	189,474	167,786	145,582
Total Deposits	$ 863,900	$ 817,806	$ 752,627	$ 780,449	$ 811,231

Trust assets under management or administration increased 9.5%, or $29.8 million, to $344.2 million at September 30, 2018, compared to $314.4 million at September 30, 2017, as we have 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 $95.9 million, or 38.6%.

Capital

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

At September 30, 2018, our capital ratios exceeded all regulatory capital thresholds, including thresholds that incorporate fully phased-in conservation buffers.

A summary of our capital ratios at September 30, 2018 and December 31, 2017 is presented below:

	September 30, 2018	December 31, 2017
BNCCORP, INC (Consolidated)		
Tier 1 leverage	9.95%	9.53%
Total risk based capital	19.66%	19.98%
Common equity tier 1 risk based capital	14.15%	14.15%
Tier 1 risk based capital	16.71%	16.90%
Tangible common equity	7.47%	8.18%
BNC National Bank		
Tier 1 leverage	10.14%	9.62%
Total risk based capital	18.28%	18.31%
Common equity tier 1 risk based capital	17.03%	17.06%
Tier 1 risk based capital	17.03%	17.06%

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.

Book value per common share of the Company was $21.34 as of September 30, 2018, compared to $22.40 at December 31, 2017. Book value per common share, excluding accumulated other comprehensive income was $23.95 at September 30, 2018 compared to $22.27 at September 30, 2017.

Asset Quality

The allowance for credit losses was $7.8 million at September 30, 2018, compared to $7.9 million at December 31, 2017. The allowance for credit losses as a percentage of total loans at September 30, 2018 decreased to 1.53%, from 1.69% at December 31, 2017. The allowance as a percentage of loans and leases held for investment at September 30, 2018 decreased to 1.63% from 1.84% at December 31, 2017 as a result of loan growth and continuing strong credit ratios in 2018.

Nonperforming assets were $1.7 million at September 30, 2018 and $2.0 million at December 31, 2017. The ratio of nonperforming assets to total assets was 0.17% at September 30, 2018 and 0.21% at December 31, 2017. Nonperforming loans were $1.7 million at September 30, 2018 and $2.0 million at December 31, 2017.

At September 30, 2018, BNC had $10.8 million of classified loans, $1.7 million of loans on non-accrual, no other real estate owned, and no repossessed assets. At December 31, 2017, BNC had $11.0 million of classified loans, $2.0 million of loans on non-accrual, no other real estate owned, and no repossessed assets. BNC had $292 thousand of potentially problematic loans, which are risk rated "watch list", at September 30, 2018, compared with $1.7 million as of December 31, 2017.

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 region is driven by the commodity-based industries of energy and agriculture. Commodity based industries can be volatile and impacted by a variety of influences. For example, the impact, if any, of recent increases in global tariffs on North Dakota farmers adds a measure of uncertainty to the region's agriculture sector. Prolonged periods of lower commodity prices or market disruption could have an adverse impact on our loan portfolio.

New Director

Tom Redmann was named to the BNCCORP, INC Board of Directors as of September 26, 2018. With Mr. Redmann's appointment, the size of the Board increased from five to six. Mr. Redmann brings extensive banking and financial services industry experience to the Board as the Company continues to focus on growing the value of BNC for its shareholders. BNC is looking forward to Mr. Redmann's participation on the Board of Directors.

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 12 locations in Illinois, Kansas, Missouri, Minnesota, 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 belief that we have exceptional liquidity, 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, 2018	For the Quarter Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
SELECTED INCOME STATEMENT DATA				
Interest income	$ 8,836	$ 8,219	$ 25,372	$ 23,434
Interest expense	1,658	962	4,272	2,605
Net interest income	7,178	7,257	21,100	20,829
Provision for credit losses	-	100	-	250
Non-interest income	3,979	5,180	15,587	15,084
Non-interest expense	9,806	9,576	29,588	29,565
Income before income taxes	1,351	2,761	7,099	6,098
Income tax expense	284	708	1,491	1,549
Net income	$ 1,067	$ 2,053	$ 5,608	$ 4,549
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.31	$ 0.59	$ 1.61	$ 1.31
Diluted earnings per common share	$ 0.30	$ 0.58	$ 1.58	$ 1.28

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended September 30, 2018	For the Quarter Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 618	$ 677	$ 1,945	$ 2,036
Wealth management revenues	462	424	1,398	1,296
Mortgage banking revenues	2,754	3,062	7,891	8,638
Gains on sales of loans, net	-	83	178	695
Gains on sales of investments, net	-	793	2,273	1,240
Other	145	141	1,902	1,179
Total non-interest income	$ 3,979	$ 5,180	$ 15,587	$ 15,084
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 4,903	$ 5,034	$ 15,503	$ 15,403
Professional services	840	960	2,499	3,129
Data processing fees	1,043	920	2,977	2,790
Marketing and promotion	1,256	779	3,125	2,562
Occupancy	580	593	1,745	1,787
Regulatory costs	130	136	405	399
Depreciation and amortization	381	406	1,179	1,215
Office supplies and postage	128	155	436	482
Other real estate costs	-	-	-	(21)
Other	545	593	1,719	1,819
Total non-interest expense	$ 9,806	$ 9,576	$ 29,588	$ 29,565
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,497,426	3,477,916	3,493,609	3,473,347
Incremental shares from assumed conversion of options and contingent shares	52,367	65,073	54,951	67,052
Adjusted weighted average shares (b)	3,549,793	3,542,989	3,548,560	3,540,399

(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, 2018	As of December 31, 2017	As of September 30, 2017
SELECTED BALANCE SHEET DATA			
Total assets	$ 990,556	$ 946,150	$ 966,186
Loans held for sale-mortgage banking	30,701	36,601	32,068
Loans and leases held for investment	474,652	428,325	428,793
Total loans	505,353	464,926	460,861
Allowance for credit losses	(7,728)	(7,861)	(7,847)
Investment securities available for sale	432,294	411,917	450,126
Other real estate, net and repossessed assets	-	-	13
Earning assets	934,072	886,212	908,131
Total deposits	863,900	817,806	837,035
Core deposits (1)	860,293	835,850	853,079
Other borrowings	44,702	43,054	41,056
Cash and cash equivalents	8,922	25,830	12,385
OTHER SELECTED DATA			
Net unrealized (losses) gains in accumulated other comprehensive (loss) income	$ (9,082)	$ 48	$ 3,092
Trust assets under administration	$ 344,226	$ 321,274	$ 314,423
Total common stockholders' equity	$ 74,191	$ 77,626	$ 80,218
Book value per common share	$ 21.34	$ 22.40	$ 23.16
Book value per common share excluding accumulated other comprehensive (loss) income, net	$ 23.95	$ 22.38	$ 22.27
Full time equivalent employees	255	252	263
Common shares outstanding	3,477,426	3,465,992	3,463,192
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	14.15%	14.15%	14.21%
Tier 1 leverage (Consolidated)	9.95%	9.53%	9.27%
Tier 1 risk-based capital (Consolidated)	16.71%	16.90%	16.98%
Total risk-based capital (Consolidated)	19.66%	19.98%	20.08%
Tangible common equity (Consolidated)	7.47%	8.18%	8.28%
Common equity Tier 1 risk-based capital (Bank)	17.03%	17.06%	17.47%
Tier 1 leverage (Bank)	10.14%	9.62%	9.53%
Tier 1 risk-based capital (Bank)	17.03%	17.06%	17.47%
Total risk-based capital (Bank)	18.28%	18.31%	18.72%
Tangible common equity (Bank)	9.22%	9.91%	10.15%

(1) Core deposits consist of all deposits and repurchase agreements with customers and exclude certain brokered certificates of deposit.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended September 30, 2018	For the Quarter Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
AVERAGE BALANCES				
Total assets	$ 986,018	$ 991,788	$ 972,917	$ 971,728
Loans held for sale-mortgage banking	26,433	29,538	24,498	27,499
Loans and leases held for investment	467,900	426,740	449,420	418,889
Total loans	494,333	456,278	473,918	446,388
Investment securities available for sale	432,980	453,269	434,106	429,167
Earning assets	928,139	936,245	915,139	915,492
Total deposits	849,136	864,965	840,059	846,741
Core deposits	846,612	879,327	836,137	860,076
Total equity	76,118	80,418	76,493	77,475
Cash and cash equivalents	14,157	40,647	20,498	53,689
KEY RATIOS				
Return on average common stockholders’ equity (a)	5.10%	10.64%	9.22%	8.15%
Return on average assets (b)	0.43%	0.82%	0.77%	0.63%
Net interest margin	3.07%	3.08%	3.08%	3.04%
Efficiency ratio	87.89%	77.00%	80.65%	82.32%
Efficiency ratio (BNC National Bank)	84.31%	74.34%	77.30%	79.22%

(a) Return on average common stockholders’ equity is calculated by using net income as the numerator and average common equity (less accumulated other comprehensive (loss) income) 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, 2018	As of December 31, 2017	As of September 30, 2017
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ -	$ 26	$ -
Non-accrual loans	1,724	1,952	2,058
Total nonperforming loans	$ 1,724	$ 1.978	$ 2,058
Other real estate, net and repossessed assets	-	-	13
Total nonperforming assets	$ 1,724	$ 1,978	$ 2,071
Allowance for credit losses	$ 7,728	$ 7,861	$ 7,847
Troubled debt restructured loans	$ 3,360	$ 1,908	$ 1,920
Ratio of total nonperforming loans to total loans	0.34%	0.43%	0.45%
Ratio of total nonperforming assets to total assets	0.17%	0.21%	0.21%
Ratio of nonperforming loans to total assets	0.17%	0.21%	0.21%
Ratio of allowance for credit losses to loans and leases held for investment	1.63%	1.84%	1.83%
Ratio of allowance for credit losses to total loans	1.53%	1.69%	1.70%
Ratio of allowance for credit losses to nonperforming loans	448%	397%	381%

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	2018	2017	2018	2017
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 1,769	$ 2,142	$ 1,978	$ 2,445
Additions to nonperforming	71	129	228	845
Charge-offs	(57)	(163)	(150)	(699)
Reclassified back to performing	-	-	(26)	-
Principal payments received	(47)	(50)	(294)	(493)
Transferred to repossessed assets	(12)	-	(12)	-
Transferred to other real estate owned	-	-	-	(40)
Balance, end of period	$ 1,724	$ 2,058	$ 1,724	$ 2,058

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended September 30, 2018	For the Quarter Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 7,788	$ 7,898	$ 7,861	$ 8,285
Provision	-	100	-	250
Loans charged off	(71)	(178)	(214)	(768)
Loan recoveries	11	27	81	80
Balance, end of period	$ 7,728	$ 7,847	$ 7,728	$ 7,847
Ratio of net charge-offs to average total loans	(0.012)%	(0.033)%	(0.028)%	(0.154)%
Ratio of net charge-offs to average total loans, annualized	(0.049)%	(0.132)%	(0.037)%	(0.206)%

(In thousands)	For the Quarter Ended September 30, 2018	For the Quarter Ended September 30, 2017	For the Nine Months Ended September 30, 2018	For the Nine Months Ended September 30, 2017
Changes in Other Real Estate:				
Balance, beginning of period	$ -	$ -	$ -	$ 214
Transfers from nonperforming loans	-	-	-	40
Real estate sold	-	-	-	(264)
Net gains on sale of assets	-	-	-	-
(Reduction) Provision	-	-	-	10
Balance, end of period	$ -	$ -	$ -	$ -

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

	As of		
(In thousands)	**September 30, 2018**	**December 31, 2017**	**September 30, 2017**
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 49,271	$ 36,590	$ 37,421
Construction	6,054	4,747	4,686
Agricultural	27,216	23,004	25,232
Land and land development	8,323	8,494	9,043
Owner-occupied commercial real estate	42,647	44,173	41,433
Commercial real estate	110,274	108,191	110,221
Small business administration	4,884	4,558	4,879
Consumer	61,759	56,318	55,094
Subtotal loans held for investment	$ 310,428	$ 286,075	$ 288,009
Consolidated			
Commercial and industrial	$ 68,169	$ 51,524	$ 52,083
Construction	17,029	13,167	11,054
Agricultural	28,118	23,773	25,932
Land and land development	11,376	14,168	15,621
Owner-occupied commercial real estate	55,788	50,872	47,868
Commercial real estate	184,462	177,429	178,884
Small business administration	31,223	25,064	26,012
Consumer	77,953	71,876	70,897
Total loans held for investment	$ 474,118	$ 427,873	$ 428,351