NEWS RELEASE

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BNCCORP, INC. REPORTS THIRD QUARTER NET INCOME OF $1.9 MILLION, OR $0.40 PER DILUTED SHARE

SERIES A PREFERRED STOCK TO BE REDEEMED

2015 Third Quarter Highlights

- **Series A Preferred Stock to be redeemed, funded by available cash, and new subordinated debt, sharply reducing cost of capital**
- **Year-to-date net income is $7.4 million or $1.70 per diluted share**
- **Third quarter 2015 net income decreased by $105 thousand compared to the third quarter of 2014; net income for 2015 year-to-date increased by $1.3 million from 2014 period**
- **Book value per common share was $20.09 at September 30, 2015**
- **Total assets were $876 million at September 30, 2015**
- **Nonperforming assets were 0.07% of total assets as of September 30, 2015**

BISMARCK, ND, October 28, 2015 – 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 Arkansas, Illinois, Kansas, Missouri, Minnesota, Arizona and North Dakota, today reported financial results for the third quarter ended September 30, 2015.

Net income for the 2015 third quarter was $1.875 million, or $0.40 per diluted share compared to net income of $1.981 million, or $0.43 per diluted share, in the third quarter of 2014. The earnings for the third quarter of 2015 reflected lower net interest income, partially offset by higher non-interest income. Reversals of previous provisions for credit losses were taken in the third quarters of 2015 and 2014, which increased pre-tax earnings by $400 thousand and $200 thousand, respectively. The ratio of nonperforming assets to total assets was 0.07% at September 30, 2015 compared to 0.03% at December 31, 2014. Book value per common share at September 30, 2015 was $20.09 compared to $18.28 and $17.18 at December 31, 2014 and September 30, 2014, respectively.

On October 20, 2015, BNC announced the redemption of 20,093 shares of 9% Series A Preferred Stock at par in November, 2015. The redemption price for the Series A Preferred Stock aggregates $20,093,000. On November 16, 2015 the Company will pay the recurring quarterly dividend and dividends of approximately $15 thousand will also be paid on the redemption date. BNC also has 1,005 shares of 9% Series B Preferred Stock outstanding. Subsequent to the redemption of the Series A Preferred Stock and subject to approval by the Company's board of directors, the Company's Series B Preferred Stock are eligible for redemption at par. Redemption of the Company's Series A and Series B Preferred Stock has been approved by the Company's regulatory authorities.

Redemption of the Series A Preferred Stock is being funded from cash available and new subordinated debt. BNC National Bank (the "Bank"), a wholly owned subsidiary of the Company, has declared an $11.0 million dividend to be paid to the Company during the fourth quarter of 2015. On October 19, 2015, the Company issued $10.0 million of subordinated debt that qualifies as Tier 2 capital. The subordinated debt matures October 19, 2025 and carries a fixed interest rate of 6.35%. The subordinated debt is eligible for prepayment at par after five years.

Annual dividends paid on the Company's Series A and B Preferred Stock aggregate approximately $1.9 million. The annual interest cost of the Company's new subordinated debt is estimated to be approximately $432 thousand after tax. The estimated annual impact of eliminating preferred stock dividends and incurring interest on the new subordinated debt is estimated to increase net income available to common shareholders by $1.5 million annually or approximately $0.43 per diluted share should the Series B Preferred Stock be redeemed.

Timothy J. Franz, BNC President and Chief Executive Officer, said, “We delivered solid results this quarter and are very pleased with our year to date results. Mortgage banking continues to deliver strong results and it appears that housing is strengthening in markets beyond those regions heavily influenced by energy. Our credit quality remains very strong and despite the recent decline in loan growth, our pipeline of new business provides optimism. Overall we are well positioned to continue creating value for our shareholders.”

Mr. Franz continued, “The redemption of our Series A Preferred Stock is a meaningful benefit to our common shareholders. This redemption is a significant milestone and is the direct result of our ability to generate substantial capital from operations. We now have two issuances of subordinated debt outstanding aggregating $25 million with an estimated annual weighted average cost of 3.6%, or 2.4% after tax, and maturities of 10 and 22 years. We believe the cost of this capital is favorable to common shareholders, particularly when combined with our ability to exercise attractive call options in future periods. These transformative transactions will reduce our cost of capital and add flexibility to our capital structure.”

<u>Third Quarter Results</u>

Net interest income for the third quarter of 2015 was $6.105 million, a decrease of $644 thousand, or 9.5%, from $6.749 million in the same period of 2014. Interest income declined by $878 thousand or 11.6% as the average balance of interest earning assets decreased $13.1 million and yields on investment securities declined when compared to the third quarter of 2014. Average loans held for investment increased $15.4 million, or 4.7%, compared to the prior year third quarter. On average, loans held for sale increased by $6.3 million when compared to the third quarter of 2014, as the lower interest rate environment continues to support mortgage activity. The average balance of investment securities decreased by $20.9 million in the third quarter of 2015 compared to the same period a year ago. The yield on earning assets decreased to 3.17% in the third quarter of 2015 compared to 3.54% in the third quarter of 2014. The lower yield on earning assets is the result of interest rates continuing to decline in recent periods and the changing composition of our investment portfolio. As of September 30, 2015 the balance of variable rate SBA securities was $102.8 million compared to $52.9 million at September 30, 2014. These defensive investments have lower yields than investments that have repaid over the past year. In recent periods we have also increased our investment in tax exempt municipal securities, which aggregated $94.8 million at September 30, 2015, due to the relative attractive yields and value provided via reduced income tax expense.

Overall, the net interest margin declined to 2.91% in the third quarter of 2015 from 3.17% in the third quarter of 2014. On a taxable equivalent basis, the net interest margin declined to 3.09% in the third quarter of 2015 from 3.31% in the third quarter of 2014.

Interest expense in the third quarter of 2015 decreased $234 thousand from the same period in 2014. Average deposits decreased $17.6 million, or 2.3%. The cost of core deposits declined to 0.16% in the current quarter, compared to 0.17% in the same period of 2014. In aggregate, the cost of interest bearing liabilities declined to 0.35% in the current quarter, compared to 0.47% in the same period of 2014. The redemption of $7.5 million of subordinated debentures in the third quarter of 2014 reduced the third quarter of 2015 interest expense by approximately $120 thousand. In addition, the Company's redemption of $20 million of brokered deposits in the second quarter of 2015 reduced interest expense $76 thousand in the third quarter 2015 compared to the same period in 2014.

A reversal of previous provisions for credit losses increased pre-tax earnings by $400 thousand in the third quarter of 2015. This reflects a recovery of a previously charged off loan. A reversal of previous provisions for credit losses increased pre-tax earnings by $200 thousand in the third quarter of 2014.

Non-interest income for the third quarter of 2015 was $5.232 million, an increase of $418 thousand, or 8.7% from $4.814 million in the third quarter of 2014. The increase primarily relates to a 31.7% increase in mortgage banking revenues, which aggregated $3.663 million in the third quarter of 2015, compared to $2.782 million in the third quarter of 2014. Mortgage banking operations continue to benefit from the continued lower rate environment in the third quarter of 2015. We continue to sell residential mortgage loans with servicing released. During the third quarter of 2015, we recorded a net gain on sales of investments of $172 thousand, compared to a $0 net gain on sales of investments in the same period of 2014. The 2015 third quarter included gains on sales of loans of $133 thousand, compared to $688 thousand in the same period of 2014. While gains on sales of investments and SBA loans can vary significantly from period to period we currently anticipate gains from sales of SBA loans will be higher in the foreseeable future.

Non-interest expense for the third quarter of 2015 was $8.980 million, an increase of $215 thousand, or 2.5%, from $8.765 million in the third quarter of 2014. This increase is primarily related to costs associated with higher mortgage banking activity.

In the third quarter of 2015, we recorded a tax expense of $882 thousand, a decrease from the $1.017 million income tax expense in the third quarter of 2014. The effective tax rate was 32% in the third quarter of 2015 compared to 33.92% in the same period of 2014. The higher effective tax rate in the third quarter of 2014 is the result of an adjustment to the annual estimated effective tax rate to achieve a rate of 32% correlating to higher estimated full year taxable income.

Net income available to common shareholders was $1.400 million, or $0.40 per diluted share, for the third quarter of 2015 after accounting for accrued dividends on preferred stock. These costs aggregated $475 thousand in the third quarters of 2015 and 2014. Net income available to common shareholders in the third quarter of 2014 was $1.506 million, or $0.43 per diluted share.

Nine Months Ended September 30, 2015

Net interest income in the first nine months of 2015 was $19.128 million, a decrease of $149 thousand, or 0.8%, from $19.277 million in the first nine months of 2014. Interest income decreased by $923 thousand as the $35.3 million increase in the average balance of interest earning assets was more than offset by lower yields on earning assets. Interest rates have declined in recent periods and the mix of assets has changed since 2014. Average loans held for investment increased $22.6 million, or 6.9%, compared to the first nine months of the prior year while the yield on loans held for investment has decreased by 7 basis points in the first nine months of 2015 when compared to the same period of 2014. On average, loans held for sale increased by $22.2 million when compared to the first nine months of 2014, as lower interest rates have continued to bolster our mortgage banking operations. The average balance of investment securities increased by $497 thousand in the first nine months of 2015 compared to the same period a year ago. However, the impact of higher average investments was offset by lower yields on investments due to the lower interest rate environment and the shift of investments to more defensive securities. The yield on earning assets decreased to 3.24% in the nine month period ended September 30, 2015 compared to 3.53% in the same period of 2014. Overall, the net interest margin declined to 2.96% in the first nine months of 2015 from 3.11% in the first nine months of 2014. On a taxable equivalent basis, the net interest margin declined to 3.12% for the first nine months of 2015 from 3.25% in first nine months of 2014.

Interest expense during the first nine months of 2015 decreased from the same period in 2014 despite an increase in average deposits of $25.0 million, or 3.3%. The cost of core deposits declined to 0.16% in the first nine months of 2015, compared to 0.18% in the same period of 2014. In aggregate, the cost of interest bearing liabilities declined to 0.38% in the first nine months of 2015, compared to 0.53% in the same period of 2014. This decrease in interest expense relates to a redemption of brokered deposits and prepayment of subordinated debentures. The lower balances of brokered deposits and subordinated debentures enabled us to decrease interest expense by $685 thousand during the nine month period ending September 30, 2015 when compared to the same time period in 2014.

A reversal of previous provisions for credit losses increased pre-tax earnings by $400 thousand in the first nine months of 2015. A reversal of previous provisions for credit losses increased pre-tax earnings by $800 thousand in the first nine months of 2014.

Non-interest income for the first nine months of 2015 was $19.623 million, an increase of $5.164 million, or 35.7% from $14.459 million in the same period of 2014. The increase primarily relates to a 55.5% increase in mortgage banking revenues, which aggregated $13.147 million in the first nine months of 2015, compared to $8.455 million in the same period of 2014. Mortgage banking revenues benefited from lower rates throughout 2015 as we continue to sell residential mortgage loans. During the first nine months of 2015, we recorded a net gain on sales of investments of $1.732 million, compared to a $528 thousand net gain on sales of investments in the same period of 2014. The first nine months of 2015 included gains on sales of loans of $705 thousand, compared to $1.688 million in the same period of 2014. Gains on sales of investments and loans can vary significantly from period to period.

Non-interest expense for the first nine months of 2015 was $28.304 million, an increase of $2.562 million, or 10.0%, from $25.742 million in the first nine months of 2014. This increase is primarily related to compensation for producers and higher mortgage banking activity.

During the nine month period ended September 30, 2015, we recorded a tax expense of $3.471 million, equating to an effective tax rate of 32%. We recorded tax expense of $2.814 million during the nine month period ended September 30, 2014, which resulted in an effective tax rate of 32%.

Net income available to common shareholders was $5.952 million, or $1.70 per diluted share, for the nine months ended September 30, 2015 after accounting for dividends accrued on preferred stock. These costs aggregated $1.424 million in the first nine months of 2015 and $1.321 million in the same period of 2014. The increase in preferred stock costs is due to the preferred dividend rate increasing from 5% to 9% in the second quarter 2014. Net income available to common shareholders for the first nine months ended September 30, 2014 was $4.659 million, or $1.34 per diluted share.

Assets, Liabilities and Equity

Total assets were $875.5 million at September 30, 2015, a decrease of $58.9 million, or 6.3%, compared to $934.4 million at December 31, 2014. Most of this decrease has occurred since late in the second quarter of 2015. In recent years we have experienced asset growth resulting from an increase in deposits as our North Dakota clients profited from the robust regional economy. As foreshadowed in previous press releases, some of these North Dakota customers have deployed funds in 2015 previously deposited with us. In addition, we redeemed brokered deposits aggregating $20 million this year. The decrease in total assets in combination with our strong year-to-date earnings increased our regulatory capital ratios at September 30, 2015 and contributed to our ability to redeem preferred stock as discussed above.

Loans held for investment aggregated $343.7 million at September 30, 2015, a decrease of $17.1 million since December 31, 2014. We continue to fund new loans held for investment but some North Dakota clients are deferring investment decisions and repaying loans in response to softer economic conditions in the region. Despite the decrease in loans held for investment in 2015, we have experienced significant growth of our loans held for investment in recent years. Our pipeline of loans held for investment is strong and we anticipate continued growth in future periods.

Total deposits were $745.8 million at September 30, 2015, a decrease of $65.4 million from 2014 year-end. Core deposit balances were $727.9 million at September 30, 2015 and $773.3 million at December 31, 2014. This decrease was anticipated as noted above. In addition to the decrease in core deposits, we exercised our right to call $20 million of brokered deposits in the second quarter of 2015.

The table below shows changes in total deposits since 2011:

(In thousands)	September 30, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
ND Bakken Branches	$ 186,308	$ 178,565	$ 166,904	$ 144,662	$ 125,884
ND Non-Bakken Branches	363,838	433,129	382,225	335,452	285,488
Total ND Branches	550,146	611,694	549,129	480,114	411,372
Other	195,658	199,537	174,100	169,490	164,883
Total Deposits	$ 745,804	$ 811,231	$ 723,229	$ 649,604	$ 576,255

Trust assets under management or administration decreased to $249.6 million at September 30, 2015, compared to $257.4 million at December 31, 2014 as new account additions were off-set by reduced investment values and withdrawals of retirement assets.

Capital

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

In the first quarter of 2015 regulatory capital requirements for community banks changed to incorporate certain of the capital requirements addressed in the Basel III framework. These standards introduced a new requirement, Common Equity Tier 1 ("CET 1"), and increased certain previously existing capital requirements. At September 30, 2015 our capital ratios exceeded all regulatory capital thresholds.

A summary of our capital ratios at September 30, 2015 and a comparison of new and prior regulatory capital requirements are presented below:

		Current BASEL III Risk Based Capital Standards		**Former General Risk Based Capital Standard**	
	Actual	**For Capital Adequacy Purposes**	**To be Well Capitalized**	**For Capital Adequacy Purposes**	**To be Well Capitalized**
September 30, 2015					
Total Risk Based Capital Ratio					
Consolidated	23.21 %	≥8.0 %	N/A %	≥8.0 %	N/A %
BNC National Bank	22.11	≥8.0	10.0	≥8.0	10.0
Tier 1 Risk Based Capital Ratio					
Consolidated	21.96	≥6.0	N/A	≥4.0	N/A
BNC National Bank	20.85	≥6.0	8.0	≥4.0	6.0
Common Equity Tier 1 Risk Based Capital Ratio					
Consolidated	13.95	≥4.5	N/A	N/A	N/A
BNC National Bank	20.85	≥4.5	6.5	N/A	N/A
Tier 1 Leverage Capital Ratio					
Consolidated	11.20	≥4.0	N/A	≥4.0	N/A
BNC National Bank	10.67	≥4.0	5.0	≥4.0	5.0
Tangible Common Equity					
Consolidated	7.82	N/A	N/A	N/A	N/A
BNC National Bank	11.45	N/A	N/A	N/A	N/A
December 31, 2014					
Total Risk Based Capital Ratio					
Consolidated	21.10 %	≥8.0 %	N/A %	≥8.0 %	N/A %
BNC National Bank	19.73	≥8.0	10.0	≥8.0	10.0
Tier 1 Risk Based Capital Ratio					
Consolidated	19.85	≥6.0	N/A	≥4.0	N/A
BNC National Bank	18.48	≥6.0	8.0	≥4.0	6.0
Common Equity Tier 1 Risk Based Capital Ratio					
Consolidated	N/A	≥4.5	N/A	N/A	N/A
BNC National Bank	N/A	≥4.5	6.5	N/A	N/A
Tier 1 Leverage Capital Ratio					
Consolidated	9.94	≥4.0	N/A	≥4.0	N/A
BNC National Bank	9.13	≥4.0	5.0	≥4.0	5.0
Tangible Common Equity					
Consolidated	6.67	N/A	N/A	N/A	N/A
BNC National Bank	9.83	N/A	N/A	N/A	N/A

The new CET 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.

In addition to regulatory risk based capital standards, we believe that regulators and investors also monitor the capital ratio of tangible common equity to total period end assets.

As noted above the Bank will pay a dividend to the holding company of $11 million in the fourth quarter of 2015 in connection with the Company's redemption of the Series A Preferred Stock. The table below presents our pro forma capital ratios as if the Bank had paid this dividend and the Company had redeemed $21 million of preferred stock and issued $10 million of subordinated debt as of September 30, 2015. (The Company is not currently redeeming the Series B Preferred Stock. However, the table below is prepared as if both the Series A Preferred Stock and Series B Preferred Stock had been redeemed on September 30, 2015 in order to illustrate slightly more conservative capital ratios that could result should our Board of Directors decide to redeem our Series B Preferred Stock.)

		Current BASEL III Risk Based Capital Standards	
	Pro Forma	For Capital Adequacy Purposes	To be Well Capitalized
September 30, 2015			
Total Risk Based Capital Ratio			
Consolidated	20.75 %	≥8.0 %	N/A %
BNC National Bank	19.67	≥8.0	10.0
Tier 1 Risk Based Capital Ratio			
Consolidated	17.28	≥6.0	N/A
BNC National Bank	18.41	≥6.0	8.0
Common Equity Tier 1 Risk Based Capital Ratio			
Consolidated	13.95	≥4.5	N/A
BNC National Bank	18.41	≥4.5	6.5
Tier 1 Leverage Capital Ratio			
Consolidated	8.82	≥4.0	N/A
BNC National Bank	9.42	≥4.0	5.0
Tangible Common Equity			
Consolidated	7.91	N/A	N/A
BNC National Bank	10.31	N/A	N/A

Book value per common share of the Company was $20.09 as of September 30, 2015, compared to $18.28 at December 31, 2014. Book value per common share, excluding accumulated other comprehensive income, was $18.49 as of September 30, 2015, compared to $16.72 at December 31, 2014.

Asset Quality

Nonperforming assets were $583 thousand at September 30, 2015, up from $317 thousand at December 31, 2014. The ratio of nonperforming assets to total assets was 0.07% at September 30, 2015 and 0.03% at December 31, 2014. Nonperforming loans were $341 thousand at September 30, 2015, up from $61 thousand at December 31, 2014.

The allowance for credit losses was $8.6 million at September 30, 2015 and December 31, 2014. While the recent decreases in oil and agricultural commodity prices have yet to have a significant negative effect on our credit quality, prolonged declines could have an adverse economic impact on the North Dakota economy and our loan portfolio.

The allowance for credit losses as a percentage of total loans at September 30, 2015 was 2.22%, compared to 2.11% at December 31, 2014. The allowance for credit losses as a percentage of loans and leases held for investment at September 30, 2015 was 2.50% and at December 31, 2014 was 2.38%.

At September 30, 2015, BNC had $8.5 million of classified loans, $341 thousand of loans on non-accrual and $242 thousand of other real estate owned. At December 31, 2014, BNC had $9.1 million of classified loans, $56 thousand of loans on non-accrual and $256 thousand of other real estate owned.

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 15 locations. BNC also conducts mortgage banking from 14 offices in Arkansas, 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, the possible redemption of our Series B Preferred Stock, the effect of the redemption of our Series A Preferred Stock 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 generally accepted accounting principles ("GAAP"). Such non-GAAP financial measures include the Company’s tangible equity to assets ratio and information presented excluding nonrecurring transactions. 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, 2015	For the Quarter Ended September 30, 2014	For the Nine Months Ended September 30, 2015	For the Nine Months Ended September 30, 2014
SELECTED INCOME STATEMENT DATA				
Interest income	$ 6,662	$ 7,540	$ 20,992	$ 21,915
Interest expense	557	791	1,864	2,638
Net interest income	6,105	6,749	19,128	19,277
Provision (reduction) for credit losses	(400)	(200)	(400)	(800)
Non-interest income	5,232	4,814	19,623	14,459
Non-interest expense	8,980	8,765	28,304	25,742
Income before income taxes	2,757	2,998	10,847	8,794
Income tax expense	882	1,017	3,471	2,814
Net income	1,875	1,981	7,376	5,980
Preferred stock costs	475	475	1,424	1,321
Net income available to common shareholders	$ 1,400	$ 1,506	$ 5,952	$ 4,659
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.41	$ 0.44	$ 1.76	$ 1.38
Diluted earnings per common share	$ 0.40	$ 0.43	$ 1.70	$ 1.34

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended September 30, 2015	For the Quarter Ended September 30, 2014	For the Nine Months Ended September 30, 2015	For the Nine Months Ended September 30, 2014
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 761	$ 743	$ 2,185	$ 2,114
Wealth management revenues	355	331	1,127	1,066
Mortgage banking revenues	3,663	2,782	13,147	8,455
Gains on sales of loans, net	133	688	705	1,688
Gains on sales of investments, net	172	-	1,732	528
Other	148	270	727	608
Total non-interest income	$ 5,232	$ 4,814	$ 19,623	$ 14,459
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 4,317	$ 4,435	$ 14,996	$ 13,217
Professional services	1,039	848	2,891	2,237
Data processing fees	788	745	2,290	2,183
Marketing and promotion	1,044	813	2,600	2,121
Occupancy	507	588	1,457	1,561
Regulatory costs	176	158	523	466
Depreciation and amortization	358	315	1,062	922
Office supplies and postage	153	156	492	495
Other real estate costs	1	27	16	59
Other	597	680	1,977	2,481
Total non-interest expense	$ 8,980	$ 8,765	$ 28,304	$ 25,742
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,388,706	3,386,187	3,384,634	3,364,465
Incremental shares from assumed conversion of options and contingent shares	112,616	116,257	113,028	123,716
Adjusted weighted average shares (b)	3,501,322	3,502,444	3,497,662	3,488,181

(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, 2015	As of December 31, 2014	As of September 30, 2014
SELECTED BALANCE SHEET DATA			
Total assets	$ 875,524	$ 934,419	$ 899,720
Loans held for sale-mortgage banking	43,795	47,109	42,441
Loans and leases held for investment	343,687	360,789	335,364
Total loans	387,482	407,898	377,805
Allowance for credit losses	(8,599)	(8,601)	(8,675)
Investment securities available for sale	436,680	449,333	456,192
Other real estate, net	242	256	1,056
Earning assets	824,067	880,988	841,712
Total deposits	745,804	811,231	774,266
Core deposits (1)	727,878	773,279	740,748
Other borrowings	30,460	31,020	38,032
Cash and cash equivalents	13,696	41,124	28,781
OTHER SELECTED DATA			
Net unrealized gains in accumulated other comprehensive income	$ 5,488	$ 5,324	$ 3,625
Trust assets under supervision	$ 249,627	$ 257,400	$ 255,929
Total common stockholders' equity	$ 68,559	$ 62,390	$ 58,658
Book value per common share	$ 20.09	$ 18.28	$ 17.18
Book value per common share excluding accumulated other comprehensive income, net	$ 18.49	$ 16.72	$ 16.12
Full time equivalent employees	272	249	255
Common shares outstanding	3,411,984	3,413,854	3,413,854
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	13.95%	N/A	N/A
Tier 1 leverage (Consolidated)	11.20%	9.94%	10.13%
Tier 1 risk-based capital (Consolidated)	21.96%	19.85%	20.22%
Total risk-based capital (Consolidated)	23.21%	21.10%	21.48%
Tangible common equity (Consolidated)	7.82%	6.67%	6.51%
Common equity Tier 1 risk-based capital (Bank)	20.85%	N/A	N/A
Tier 1 leverage (Bank)	10.67%	9.13%	10.12%
Tier 1 risk-based capital (Bank)	20.85%	18.48%	20.34%
Total risk-based capital (Bank)	22.11%	19.73%	21.60%
Tangible capital (Bank)	11.45%	9.83%	10.56%

(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)

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	**2015**	**2014**	**2015**	**2014**
AVERAGE BALANCES				
Total assets	$ 884,156	$ 899,665	$ 916,823	$ 884,649
Loans held for sale-mortgage banking	38,820	32,495	50,445	28,215
Loans and leases held for investment	346,985	331,554	351,047	328,464
Total loans	385,805	364,049	401,492	356,679
Investment securities available for sale	434,433	455,368	445,015	444,518
Earning assets	832,729	845,820	865,085	829,801
Total deposits	754,480	772,085	784,684	759,723
Core deposits	736,096	738,270	756,938	720,353
Total equity	87,832	79,138	87,358	75,337
Cash and cash equivalents	26,892	42,986	33,341	45,812
KEY RATIOS				
Return on average common stockholders' equity (a)	8.88%	10.91%	13.03%	11.75%
Return on average assets (b)	0.84%	0.87%	1.08%	0.90%
Net interest margin	2.91%	3.17%	2.96%	3.11%
Efficiency ratio	79.20%	75.80%	73.04%	76.30%
Efficiency ratio (BNC National Bank)	76.93%	72.89%	70.80%	70.92%

(a) Return on average common stockholders' equity is calculated by using the net income available to common shareholders as the numerator and average common equity (less preferred stock and accumulated other comprehensive 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, 2015	As of December 31, 2014	As of September 30, 2014
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ -	$ 5	$ 18
Non-accrual loans	341	56	112
Total nonperforming loans	$ 341	$ 61	$ 130
Other real estate, net	242	256	1,056
Total nonperforming assets	$ 583	$ 317	$ 1,186
Allowance for credit losses	$ 8,599	$ 8,601	$ 8,675
Troubled debt restructured loans	$ 2,209	$ 5,105	$ 5,136
Ratio of total nonperforming loans to total loans	0.09%	0.01%	0.03%
Ratio of total nonperforming assets to total assets	0.07%	0.03%	0.13%
Ratio of nonperforming loans to total assets	0.04%	0.01%	0.01%
Ratio of allowance for credit losses to loans and leases held for investment	2.50%	2.38%	2.59%
Ratio of allowance for credit losses to total loans	2.22%	2.11%	2.30%
Ratio of allowance for credit losses to nonperforming loans	2,522%	14,100%	6,673%

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	2015	2014	2015	2014
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 722	$ 3,251	$ 61	$ 5,617
Additions to nonperforming	94	119	937	198
Charge-offs	(22)	(7)	(168)	(680)
Reclassified back to performing	(436)	(3,177)	(455)	(3,177)
Principal payments received	(17)	(56)	(34)	(1,131)
Transferred to repossessed assets	-	-	-	-
Transferred to other real estate owned	-	-	-	(697)
Balance, end of period	$ 341	$ 130	$ 341	$ 130

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended September 30, 2015	For the Quarter Ended September 30, 2014	For the Nine Months Ended September 30, 2015	For the Nine Months Ended September 30, 2014
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 8,591	$ 8,828	$ 8,601	$ 9,847
Provision (reduction)	(400)	(200)	(400)	(800)
Loans charged off	(35)	(11)	(230)	(705)
Loan recoveries	443	58	628	333
Balance, end of period	$ 8,599	$ 8,675	$ 8,599	$ 8,675
Ratio of net charge-offs to average total loans	0.106%	0.013%	0.099%	(0.104)%
Ratio of net charge-offs to average total loans, annualized	0.423%	0.052%	0.132%	(0.139)%

(In thousands)	For the Quarter Ended September 30, 2015	For the Quarter Ended September 30, 2014	For the Nine Months Ended September 30, 2015	For the Nine Months Ended September 30, 2014
Changes in Other Real Estate:				
Balance, beginning of period	$ 242	$ 1,753	$ 256	$ 1,056
Transfers from nonperforming loans	-	-	-	697
Real estate sold	-	(697)	-	(697)
Net gains (losses) on sale of assets	-	-	-	-
Provision	-	-	(14)	-
Balance, end of period	$ 242	$ 1,056	$ 242	$ 1,056

(In thousands)	As of September 30, 2015	As of December 31, 2014	As of September 30, 2014
Other Real Estate:			
Other real estate	$ 954	$ 954	$ 1,754
Valuation allowance	(712)	(698)	(698)
Other real estate, net	$ 242	$ 256	$ 1,056

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of September 30, 2015	As of December 31, 2014	As of September 30, 2014
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 44,647	$ 56,681	$ 56,250
Construction	13,372	20,894	22,609
Agricultural	12,936	16,732	18,051
Land and land development	10,451	10,468	11,890
Owner-occupied commercial real estate	37,871	38,035	28,479
Commercial real estate	75,838	55,349	50,280
Small business administration	1,241	1,247	1,156
Consumer	37,307	33,127	36,061
Subtotal loans held for investment	$ 233,663	$ 232,533	$ 224,776
Consolidated			
Commercial and industrial	$ 55,577	$ 67,533	$ 63,948
Construction	20,915	24,916	25,929
Agricultural	13,540	17,478	18,611
Land and land development	17,206	28,220	26,235
Owner-occupied commercial real estate	44,717	47,218	37,524
Commercial real estate	121,205	108,122	101,852
Small business administration	25,128	26,972	25,593
Consumer	45,352	40,470	35,779
Total loans held for investment	$ 343,640	$ 360,929	$ 335,471