

**BNCCORP, INC.**  
**322 East Main Avenue**  
**Bismarck, North Dakota 58501**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**June 27, 2018**

The annual meeting of stockholders of BNCCORP, INC., a Delaware corporation, will be held at 8:30 a.m. (Central Daylight Time) on Wednesday, June 27, 2018, at BNC National Bank, 322 East Main Avenue, Bismarck, North Dakota, in the Second Floor Conference Room. At the meeting, stockholders will be asked to:

1. Elect one director;
2. Ratify the appointment of KPMG LLP as BNC's independent auditor for 2018; and
3. Consider any other business that may properly come before the meeting.

The board of directors has set the close of business on Monday, April 30, 2018 as the record date for the determination of the stockholders entitled to notice of and to vote at the meeting or any adjournments.

You are cordially invited to attend the meeting. However, whether or not you plan to be personally present at the meeting, please mark, date and sign the enclosed proxy or voting instruction card and return it promptly in the enclosed addressed, postage-paid envelope.

By Order of the Board of Directors



Cheryl A. Stanton  
*Secretary*

Bismarck, North Dakota  
May 14, 2018

**BNCCORP, INC.**  
**322 EAST MAIN AVENUE**  
**BISMARCK, NORTH DAKOTA 58501**

**PROXY STATEMENT**  
**ANNUAL MEETING OF STOCKHOLDERS**

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This Proxy Statement is furnished to holders of common stock of BNCCORP, INC., a Delaware corporation, (“BNC” or the “Company”), in connection with the solicitation on behalf of the BNCCORP, INC. Board of Directors (the “Board” or the “Board of Directors”) of proxies for use at the annual meeting of stockholders of BNC to be held on June 27, 2018 (the “Annual Meeting”). Only stockholders of record at the close of business on April 30, 2018 (the “Record Date”) are entitled to vote at the Annual Meeting. On the Record Date, there were 3,475,992 shares of common stock issued and outstanding. This Proxy Statement and BNC’s 2017 Annual Report are being mailed to each stockholder of record on the Record Date commencing on or about May 14, 2018.

The presence, in person or by proxy, of a majority of the issued and outstanding shares of common stock entitled to vote at the Annual Meeting is necessary to constitute a quorum. Stockholders are urged to sign the accompanying form of proxy or voting instruction card and return it in the envelope provided for that purpose. All shares of common stock will be voted in accordance with each stockholder’s directions. If no directions are given, shares will be voted FOR the director nominee and FOR the ratification of the independent auditor. Granting the enclosed proxy does not affect the right to vote in person at the Annual Meeting. Your proxy is automatically revoked if you submit a valid proxy with a later date or vote at the Annual Meeting. Stockholders who plan to attend the meeting in person must bring proper identification and proof of ownership of their shares. Stockholders who own shares in street name must bring a legal proxy from the entity that holds their shares giving them the right to vote the shares at the meeting.

If a quorum is present, for Proposal 1, election of director, the candidate will be elected if he receives a plurality of votes cast for Proposal 1. For Proposal 2, the ratification of the appointment of our independent auditors, approval requires the affirmative vote of a majority of the shares of common stock present in person or by proxy and entitled to vote at the Annual Meeting.

Abstentions will be treated as present for purposes of determining a quorum, but will not be deemed to have voted for such proposal. If you own shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute “broker non-votes.” Broker non-votes occur on a proposal when a broker is not permitted to vote on that proposal without instructions from the beneficial owner and instructions have not been given. If you hold shares through a broker, the broker may be prevented from voting shares held in a brokerage account unless you have given the broker voting instruction. Thus, if you hold your stock through a broker, it is critical that you cast your vote if you want it to count. Abstentions and broker non-votes will have no effect on the election of directors provided a quorum is established. An abstention for Proposal 2 will have the same effect as a vote against the proposal.

**PROPOSAL 1: ELECTION OF DIRECTORS**

At the Annual Meeting, one director will be elected to serve a three-year term, to hold office until his successor is elected and qualified or until such director’s earlier resignation or removal. Unless you specify otherwise in your proxy card, your shares will be voted by the proxy holder FOR the election of Gaylen Ghylin as a member of the class to serve until the 2021 annual meeting of stockholders. If Mr. Ghylin should become unavailable for any reason, the Board may reduce the size of the Board or votes may be cast pursuant to the accompanying form of proxy for a substitute nominee designated by the Board. Mr. Ghylin has advised us that he will serve on the Board if elected. Information about Mr. Ghylin is provided below.

## Information about the Board

### General

The Board consists of three classes, each having a three-year term of office, with one class being elected each year. Michael O'Rourke retired from the Board effective April 1, 2018. Upon Mr. O'Rourke's retirement, the size of the Board was reduced to five members. Mr. O'Rourke joined the Board in 2008, and during the intervening ten years made significant contributions to the success of BNC.

### Information about the Nominee

**The Board of Directors nominates the following individual for election as a director at the Annual Meeting:**

Name	Age	Director Biography	Board Committee Memberships
<b>NOMINEES:</b>			
Ghylin, Gaylen	70	<i>Mr. Ghylin</i> has been a director since June 2003. He previously served as Executive Vice President, Secretary and Chief Financial Officer of Tiller Corporation d/b/a Barton Sand & Gravel Co., Commercial Asphalt Co. and Barton Enterprises, Inc., since 1979, and as a director of the Tiller Corporation from 1980 until his retirement in 2017. Mr. Ghylin also serves on the Board of Directors of True Friends, a nonprofit organization that enriches the lives of nearly 4,000 children and adults with developmental, physical or learning disabilities.	Member of Audit Committee,* Compensation Committee and Nominating and Corporate Governance Committee

\*Chairman of the committee

### Recommendation of the Board of Directors

**The Board of Directors unanimously recommends that you vote FOR the nominee listed above.**

### Directors Continuing in office after Annual Meeting

Name	Age	Director Biography	Board Committee Memberships
Brenna, Nathan P.	47	<i>Mr. Brenna</i> , who has served as a director since September 2014, is owner of Brenna Farm and Ranch in northwestern North Dakota. Mr. Brenna, a former attorney, has a distinguished legal background having represented clients across the country for a decade at Anthony Ostlund & Baer, P.A. from 1997 to 2007. Mr. Brenna is active in community service. He is a member of the Keene Township Planning & Zoning Commission. Mr. Brenna's term on the Board will expire in 2019.	Member of Compensation Committee and Nominating and Corporate Governance Committee
Franz, Timothy J.	60	<i>Mr. Franz</i> became President and Chief Executive Officer for BNCCORP, INC. and BNC National Bank in July 2013. Prior to this role, he joined BNCCORP, INC. and BNC National Bank in 2006 to serve as the Chief Financial Officer. Mr. Franz has served on BNC National Bank's Board of Directors since 2006 and BNCCORP, INC.'s Board of Directors since 2013. Mr. Franz has been active in several of BNC's operating committees since joining BNC. Mr. Franz started his professional career at KPMG LLP in 1983 and was a partner at KPMG from 1997 to	

Name	Age	Director Biography	Board Committee Memberships
Scott, Tracy J.	71	<p>2003. During his tenure at KPMG, he focused on the financial services industry and served Wells Fargo, TCF Bank and several community banks. Mr. Franz has also been an active volunteer in various not-for-profit entities in the Minneapolis area. Mr. Franz's term on the Board will expire in 2020.</p> <p><i>Mr. Scott</i>, a Certified Public Accountant (Inactive), was named Chairman of the Board in April 2013. He has served as a director since 1987 and was previously Chairman of the Board from 1987 through 2007. Mr. Scott serves on BNC National Bank's Executive Credit Committee. Mr. Scott's term on the Board will expire in 2019.</p>	Member of Compensation Committee*, Audit Committee and Nominating and Corporate Governance Committee
Vekich, Michael M.	70	<p>Mr. Vekich, who was appointed to the Board in March 2017, is the Chief Executive Officer of Vekich Chartered, management advisors specializing in strategic planning, and was from 2000-2010 Executive Chairman, President and Chief Executive Officer of Skyline Exhibits, designers of trade show exhibits. In July, 2017, Mr. Vekich was appointed by the Governor of Minnesota to serve as Chairman of the Minnesota Sports Facilities Commission. Mr. Vekich is currently Chair of the Board of Trustees of Minnesota State Colleges and Universities. Mr. Vekich has significant prior experience serving as a board member for a number of banking companies including HF Financial Corp. (Chair) and Tradition Capital Bank. He received a Bachelor of Arts Degree in Accounting and Business Administration from the University of Minnesota and is a Certified Public Accountant. Mr. Vekich's term on the board will expire in 2020.</p>	Member of the Compensation Committee

\*Chairman of the committee

### Board of Directors Meetings

There were ten Board meetings in 2017. The Board has three committees, the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee which are described below. During 2017, the Audit Committee met four times, the Compensation Committee met once, and the Nominating and Corporate Governance Committee met once. Each director attended at least 75 percent of the meetings of the Board and Board committees on which each served in 2017.

**Non-Management Directors.** Messrs. Brenna, Ghylin, Scott and Vekich are non-management directors.

**Executive Sessions.** The non-management directors meet in "executive sessions" at which only non-management directors are present. The non-management directors hold such executive sessions as needed and generally in conjunction with regularly scheduled board meetings.

**Audit Committee.** The current members of the Audit Committee are Messrs. Ghylin, Scott and Vekich. Mr. Vekich was appointed to the Audit Committee in June 2017. All members of the Audit Committee are non-management, independent directors. The Audit Committee is responsible for assisting the Board in its oversight of (i) the Company's accounting and financial reporting processes; (ii) the integrity of the Company's financial statements; (iii) the performance of the Company's internal audit department and the internal audit process; (iv) the independence and performance of the Company's auditors; and (v) compliance by the Company with legal and regulatory requirements. The Audit Committee has adopted a written charter and reviews and reassesses the adequacy of its charter on an annual basis. A copy of the Audit Committee's charter is available on the Company's website at [www.bnccorp.com](http://www.bnccorp.com).

**Compensation Committee.** The members of the Compensation Committee are Messrs. Brenna, Ghylin, Scott and Vekich. All members of the Compensation Committee are non-management, independent directors. The Compensation Committee is responsible for compensation matters as may be directed by the Board from time to time. The Compensation Committee has the authority to retain compensation consultants to assist in the evaluation of executive officer compensation and may delegate any of its responsibilities to subcommittees, so long as members of subcommittees are not members of management.

**Nominating and Corporate Governance Committee.** The Nominating and Corporate Governance Committee was formed in June 2017. The members of the Nominating and Corporate Governance Committee are Messrs. Brenna, Ghylin, and Scott. All members of the Nominating and Corporate Governance Committee are non-management, independent directors. The purposes of the Nominating and Corporate Governance Committee is to (i) identify and recommend to the board, individuals who are qualified to serve as directors of the Company and on committees of the board; (ii) advise the board with respect to board composition, procedures and committees; and (iii) oversee the evaluation of the board and any related matters required by applicable laws. The Nominating and Corporate Governance Committee has adopted a written charter and will review the adequacy of its charter on an annual basis. A copy of the Nominating and Corporate Governance Committee's charter is available on the Company's website at [www.bnccorp.com](http://www.bnccorp.com).

## **PROPOSAL 2: PROPOSAL TO RATIFY THE INDEPENDENT AUDITOR**

Upon the recommendation of the Audit Committee, the Board has approved KPMG LLP to act as the independent auditor for BNC for the fiscal year ending December 31, 2018. Although it is not required to do so, our board of directors wishes to submit the selection of KPMG LLP for ratification by our stockholders at the Annual Meeting on a non-binding basis. Even if this selection is ratified by our stockholders at the Annual Meeting, our Audit Committee may, in its discretion, change the appointment at any time during the year if it determines that such a change would be in the best interests of BNC and our stockholders. If our stockholders do not ratify the selection of KPMG LLP, our Audit Committee will reconsider whether to retain KPMG LLP or appoint another independent auditor.

**The Board of Directors unanimously recommends a vote FOR ratification of the appointment of KPMG LLP.**

## **CORPORATE GOVERNANCE**

### **Code of Ethics**

The Company has adopted a code of ethics and business conduct that applies to each of its employees, officers and directors, including its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the Company's code of ethics and business conduct is available on the Company's website at [www.bnccorp.com](http://www.bnccorp.com).

### **Stockholder Communications with Directors and Annual Meeting Attendance of Directors**

Stockholders may communicate with the Board of Directors or any individual director by sending a letter to Cheryl A. Stanton, Secretary, BNCCORP, INC., 322 East Main Avenue, Bismarck, ND 58501. Ms. Stanton will forward the stockholder's communication directly to the appropriate director or directors.

Presently, the Company does not have a written policy regarding director attendance at annual stockholder meetings, although all directors are encouraged to attend such meetings.

### **Procedures Regarding Director Candidates Recommended by Stockholders**

The Board will consider director nominees recommended by stockholders in accordance with the policy established by the Board. A stockholder who wishes to recommend a person or persons for consideration by the Board as a nominee for election to the Board must send a written notice by mail, c/o Cheryl A. Stanton, Secretary, BNCCORP, INC., that sets forth (i) the name, age, business address and residential address of each person proposed for nomination; (ii) the principal occupation or employment of such person; (iii) the class and number of shares of capital stock of BNC of which such person is the beneficial owner and (iv) any other information relating to such person that would be required to be disclosed in a proxy statement prepared in accordance with Section 14 of the Exchange Act and the rules and regulations thereunder had such nominee been nominated by the Board. Stockholder recommendations will be considered only if received not more than 150 days and not less than 120 days in advance of the first anniversary of the date on which

the Company's proxy statement for the preceding year's meeting was mailed to stockholders (on or after December 15, 2018 but no later than January 14, 2019 with respect to recommendations for nominees to be considered at the 2019 annual meeting of stockholders).

The Board believes that nominees to the BNC Board must meet the following minimum qualifications: The nominee must have achieved significant success in business or have extensive financial expertise, must be committed to representing the long-term interests of the Company's stockholders, and must have high ethical and moral standards and integrity. In general, the Board will not consider any person for nomination to the Board if it is aware that such person has been convicted of a felony or has violated any state or federal banking, bank holding company, securities or insurance laws, rules or regulations.

The Board identifies potential nominees for director, other than potential nominees who are current directors standing for re-election, through business and other contacts. We did not pay any fee to any third party to identify or evaluate or assist in identifying or evaluating potential nominees for director at the 2018 Annual Meeting. However, in the future, the Board may choose to retain a professional search firm to identify potential nominees for director. In addition, the Board will consider potential nominees who are recommended by stockholders. The Board evaluates a potential nominee by considering whether the potential nominee meets the minimum qualifications described above, as well as by considering the following factors:

- whether the potential nominee has experience and expertise that is relevant to the Company's business, including any specialized business experience, technical expertise, or other specialized skills, and whether he or she has knowledge regarding issues affecting the Company;
- whether the potential nominee is free of any conflict of interest or the appearance of any conflict of interest with the Company's best interests and the best interests of the Company's stockholders, and whether he or she is willing and able to represent the interests of all of the Company's stockholders; and
- any factor affecting the ability or willingness of the potential nominee to devote sufficient time to Board activities and to enhance his or her understanding of the Company's business.

In addition, with respect to an incumbent director whom the Board is considering as a potential nominee for re-election, the Board reviews and considers the incumbent director's service to BNC during his or her term, including the number of meetings attended, level of participation and overall contribution to BNC. The manner in which the Board evaluates a potential nominee will not differ based on whether the potential nominee is recommended by a stockholder of BNC. Each of the nominees for director at the 2018 Annual Meeting is a current director standing for re-election.

### **Nomination and Standstill Agreement**

On March 23, 2017, BNC entered into a Nomination and Standstill Agreement (the "Nomination and Standstill Agreement") with PL Capital, LLC, PL Capital Advisors, LLC, Goodbody/PL Capital, LLC, the PL Capital Funds, John W. Palmer, Richard J. Lashley and Curtis Thompson (collectively, the "PL Capital Group") and Michael M. Vekich, in his capacity as the designee of the PL Capital Group (the "PL Capital Designee") to stand for election to the Board of Directors at the 2017 Annual Meeting. The PL Capital Group has informed BNCC that it beneficially owns 334,300 shares of BNC's common stock, which represents approximately 9.6% of the outstanding shares as of the Record Date.

The Nomination and Standstill Agreement is effective from March 23, 2017 until February 27, 2019, which is the date that is 30 days prior to the expiration of the notice period specified in BNC's Bylaws related to the nomination of directors at BNC's 2019 Annual Meeting. The Nomination and Standstill Agreement may be terminated prior to such date by either BNC or the PL Capital Group in the event the other has failed to cure any material breach within 15 days following notice of the breach.

Pursuant to the Nomination and Standstill Agreement, among other things, during the term thereof:

- The Board nominated, recommended and supported the PL Capital Designee for election at the 2017 Annual Meeting for a term expiring at BNC's 2020 Annual Meeting.
- The PL Capital Group agreed to vote all the shares of BNC's common stock that it beneficially owns in favor of the election of BNC's slate of directors at the 2017 Annual Meeting and 2018 Annual Meeting.

- The PL Capital Designee agreed to resign at the request of the Board of Directors if the PL Capital Group ceases to own at least 5.0% of the company’s then-outstanding shares of common stock or if the Board determines that any member of the PL Capital Group has materially breached the terms of the Nomination and Standstill Agreement.
- If the PL Capital Designee is unable or ceases to serve on the Board due to the PL Capital Designee’s death, disability or, subject to certain exceptions, resignation, the PL Capital Group has the right to recommend a substitute person to fill the resulting vacancy, provided that the replacement meets certain criteria. The appointment of a replacement director is subject to the approval of the Board after exercising its fiduciary duties, which approval may not be unreasonably withheld or delayed.
- The PL Capital Group agreed to certain standstill provisions that restrict the PL Capital Group and its affiliates from, among other things, engaging in certain proxy solicitations, soliciting consents from stockholders, seeking to influence the voting of any of BNC’s securities, making stockholder proposals, proposing or participating in certain extraordinary corporate transactions involving BNC, calling meetings of stockholders, seeking representation on the Board of Directors or nominating candidates for election to the Board of Directors other than as set forth in the Nomination and Standstill Agreement, seeking to remove any of BNC’s directors or taking action to influence the Board of Directors or BNC’s management or otherwise to exercise a controlling influence over the management and policies of BNC.

A copy of the Nomination and Standstill Agreement is available on the Investor Relations section of the Company’s website ([www.bnccorp.com](http://www.bnccorp.com)) under News & Earnings Releases.

#### **Audit Committee’s Report on Audit Matters**

**Audited Financial Statements.** The Audit Committee has reviewed and discussed the audited financial statements of the Company for fiscal year 2017 with the Company’s management and with the Company’s auditors, KPMG LLP (“KPMG”).

**Required Matters.** The Audit Committee has discussed with KPMG the matters required to be discussed by AU-C §260 (the auditor’s communication with those charged with governance) and by 12 CFR 363.3(d) (Communications with audit committee).

**Independence Disclosure.** The Audit Committee has received the written disclosures and the letter from KPMG as required under relevant professional and regulatory standards and has discussed with KPMG its independence. The Audit Committee also considered whether KPMG’s provision of non-audit services to the Company was compatible with its independence.

#### **Independent Accountants**

The following table presents fees for professional audit and other services rendered by KPMG LLP for the audit of our annual financial statements for the years ended December 31, 2016 and 2017.

<b>Description of Fees</b>	<b>2017</b>	<b>2016</b>
Audit Fees <sup>(1)</sup>	\$ 262,000	\$ 257,875
Audit-Related Fees <sup>(2)</sup>	\$ 41,500	\$ 56,500
Other Fees <sup>(3)</sup>	\$ 28,000	\$ 36,995
Tax Fees <sup>(4)</sup>	\$ 3,500	\$ 0

(1) Audit fees consisted of the annual audit of our consolidated financial statements.

(2) Audit-Related fees consisted of employee benefit plan audits and audits of compliance with HUD-assisted programs.

(3) The amounts relate to out of pocket expenses for all audit and audit-related services.

(4) Tax fees consist of tax consulting services provided.

## THE AUDIT COMMITTEE

Gaylen Ghylin, Committee Chairman  
Tracy J. Scott  
Michael M. Vekich

### **Other Executive Officers**

*Brendel, Doug – President Mortgage Banking:* Mr. Brendel has served as President Mortgage Banking for BNC National Bank since February 2016 and as EVP of Mortgage Lending from September 2010 to February 2016. He also served as BNC's Vice President of Mortgage Operations from May 2008 to September 2010. Mr. Brendel was appointed to BNC National Bank's Board of Directors in September 2013. He also serves on the Lake Winnebago HOA Board of Directors and the Arrow Head Yacht Club Board of Directors.

*Cleveland, Shawn – Chief Operating Officer:* Ms. Cleveland has served as BNC National Bank's COO since September 1999 and as its Compliance Officer since July 1995. She is a Certified Public Accountant and a Certified Regulatory Compliance Manager. Ms. Cleveland joined BNC in 1992 as an internal auditor. She has served on the BNC National Bank Board of Directors since September 1999.

*Collins, Daniel – Chief Financial Officer:* Mr. Collins has served as the CFO of BNCCORP, INC. and BNC National Bank since December 2013. Previously, Mr. Collins was employed by MoneyGram International where he served in the roles of Senior Vice President/Treasurer and Vice President-Internal Audit Director. Mr. Collins served as Corporate Controller of RBC Dain Rauscher, Inc. and Divisional CFO for the consumer products group at U.S. Bancorp. Mr. Collins also served ten years in Big Four public accounting exclusively serving financial services companies. Mr. Collins has served on the BNC National Bank Board of Directors since May 11, 2015. He is also active in several of BNC's operating committees since joining the company. Mr. Collins is a director/board member at the Minneapolis Crisis Nursery, the Jack Jablonski Believe in Miracles Foundation, and the Bloomington Kennedy/Richfield Youth Hockey Association.

*Hoekstra, Dave – Chief Credit Officer and President North Dakota Market:* Mr. Hoekstra has served as CCO of BNC National Bank since April 2004 and as President of BNC National Bank's North Dakota market since March 2009. Mr. Hoekstra is a Certified Public Accountant (Inactive). He also served as Vice President-Loan Review/Internal Audit at BNC from April 2000 to April 2004. Mr. Hoekstra has served on the BNC National Bank Board of Directors since January 2006. He is a director/board member of the Bismarck State College Foundation, the Crisis Care Chaplaincy, and the Bismarck Youth Baseball organization.

*Peiler, Mark E. – Chief Investment Officer:* Mr. Peiler has served as Chief Investment Officer for BNC National Bank since December 2015 and was previously SVP-Chief Investment Officer from August 2005 to December 2015 and an Investment Officer for BNC from May 1998 to August 2005. Mr. Peiler has served on the BNC National Bank Board of Directors since January 2006. He is active on several of BNC's operating committees, and chairs BNC's asset/liability management committee and trust investment committee. Mr. Peiler holds the Chartered Financial Analyst designation and is currently the President and a director of the CFA Society of Minnesota.

*Spillman, Scott – President Arizona Market:* Mr. Spillman joined BNC in May 2008 as President of BNC National Bank's Arizona market. Prior to BNC, he served as Senior Vice President-Business Development Officer at First National Bank of Arizona. Prior to his position at First National Bank of Arizona, he was Senior Vice President-Business Development Officer for Imperial Bank/Comerica Bank in Arizona. Mr. Spillman was elected to the BNC National Bank Board of Directors in January 2009. He also serves on the Glendale Chamber of Commerce Board of Directors.

*Stanton, Cheryl A. – Chief Legal Officer/General Counsel/Corporate Secretary:* Ms. Stanton has been the CLO/GC for BNCCORP, INC. and BNC National Bank since March 2013. She has been Corporate Secretary of BNCCORP, INC. since January 1, 2018. Prior to joining BNC, Ms. Stanton was a partner with the Anthony Ostlund law firm in Minneapolis, MN where she represented BNC as outside litigation counsel in numerous matters and other clients in complex litigation matters including, among other things, bank related matters, shareholder disputes and contract disputes. Ms. Stanton has been licensed to practice law since October 1997. She is the current chairperson of the American Bankers Association Regional Bank General Counsels Group. She has served on the BNC National Bank Board of Directors since September 2013.

## CERTAIN RELATIONSHIPS AND TRANSACTIONS

Certain relationships and affiliate transactions are reported in Note 23 of the consolidated financial statements contained in the 2017 Annual Report.

## AVAILABILITY OF YEAR END FINANCIAL REPORT

The Company's common stock is currently traded on the OTCQX, the marketplace operated by OTC Markets Group, under the trading symbol "BNCC".

The Company's Year End Financial Report for the fiscal year ended December 31, 2017 is available at [www.bnccorp.com](http://www.bnccorp.com) and on the website of the OTCQX. A hard copy of the Report will be provided without charge upon written request to:

Cheryl A. Stanton  
Secretary  
BNCCORP, INC.  
322 East Main Avenue  
Bismarck, ND 58501

## MISCELLANEOUS

The cost of soliciting proxies will be borne by the Company. The solicitation will be primarily by mail. In addition to the use of mail, some of the officers, directors and regular employees of the Company and its subsidiaries may solicit proxies by telephone, e-mail or personal interview without additional remuneration therefor. The Company will reimburse banks, brokerage houses and other institutions, custodians, nominees and fiduciaries for reasonable expenses in forwarding proxy material to their principals.

Regardless of the number of shares you hold, it is important that your common stock be represented at the Annual Meeting to establish a quorum. You are strongly encouraged to date and sign your proxy or voting instruction card and return it without delay in the enclosed addressed envelope, even if you plan to attend the Annual Meeting.

## STOCKHOLDER PROPOSALS AND STOCKHOLDER NOMINATIONS OF DIRECTORS

Director nominations and stockholder proposals not included in proxy mailings may be submitted for the 2019 annual meeting if they meet the timing and information requirements set forth in BNC's Bylaws. Stockholders must deliver notice of a proposal or Director nomination to the Company's Corporate Secretary between February 27, 2019 and March 29, 2019, but if the 2019 annual meeting is not held on a date that is within 30 days before or after the anniversary of the 2018 annual meeting, then the deadline is ten days after the earlier of the date that: (i) public disclosure of the date of the 2019 annual meeting was made: or (ii) notice of the date of the annual meeting was mailed. Stockholders can nominate Directors at the 2019 annual meeting if the nomination: (i) is submitted to BNC's Secretary by the deadline set forth above and: (ii) satisfies the informational and other requirements in the Bylaws of BNC as determined by the Board. BNC reserves the right to vote all proxies as it determines in its discretion on any stockholder proposals or nominations, pursuant to authority provided on the proxy card.

By Order of the Board of Directors



Cheryl A. Stanton  
Secretary

Bismarck, North Dakota  
May 14, 2018

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**PROXY**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF  
BNCCORP, INC.**

The undersigned hereby appoints Timothy J. Franz and Nathan P. Brenna, or each of them, as proxies, each with full power of substitution, to represent and vote at the Annual Meeting of Stockholders to be held on June 27, 2018 at 8:30 A.M., Central Daylight Time, and at any adjournments or postponements thereof (the "Meeting"), all of the shares of Common Stock, par value \$.01 per share, of BNCCORP, INC., a Delaware corporation (the "Company"), which the undersigned is entitled to vote at the Meeting, upon the following matters as set forth in the notice of the Meeting and upon any other matters that may properly come before the Meeting.

**(Continued and to be signed on the reverse side)**

ANNUAL MEETING OF STOCKHOLDERS OF

BNCCORP, INC.

June 27, 2018

Please sign, date and mail your proxy card in the envelope provided as soon as possible.

Please detach along perforated line and mail in the envelope provided.

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE NOMINEE AND "FOR" PROPOSAL 2. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE [X]

The Board of Directors recommends a vote FOR the nominees listed below.

1. Election of Director:

[ ] FOR THE NOMINEE NOMINEE: Gaylen Ghylin

[ ] WITHHOLD AUTHORITY FOR THE NOMINEE

The Board of Directors recommends a vote FOR Proposal 2 listed below.

2. Appointment of KPMG LLP as the Company's independent auditor for 2018. [ ] FOR [ ] AGAINST [ ] ABSTAIN

This Proxy, when properly executed, will be voted as specified above. If no directions are given, this Proxy will be voted FOR the nominees listed on this proxy card and FOR Proposal 2.

If any of the following items arise, the proxies will vote in their own discretion: (a) any other business or nominees that may properly come before the meeting for which the Board of Directors did receive timely notice; (b) election of any person as a Director in place of a nominee who is unable to serve or who for good cause will not serve; and (c) matters incident to the conduct of the Meeting. The stockholder can revoke this proxy after submitting it (see proxy statement).

Please mark, sign, date and return this proxy promptly using the enclosed envelope.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. [ ]

Signature of Stockholder [ ] Date: [ ] Signature of Stockholder [ ] Date: [ ]

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.