BNCCORP

NEWS RELEASE

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BNCCORP, INC. REPORTS SECOND QUARTER NET INCOME OF $2.1 MILLION, OR $0.60 PER DILUTED SHARE

Highlights

- **Net income in the 2018 second quarter increased 49.5% to $2.1 million compared to $1.4 million in the second quarter of 2017**
- **Non-interest income increased by 11.1%, or $570 thousand, compared to the 2017 second quarter, driven by SBIC revenue**
- **Non-interest expenses decreased by $117 thousand, or 1.2%, in the second quarter of 2018, versus the same period in 2017**
- **Loans and leases held for investment increased to $467.7 million, rising 9.7% from $426.2 million at June 30, 2017**
- **Net income in the first half of 2018 increased 81.9% to $4.5 million, or $1.28 per diluted share**

BISMARCK, ND, July 30, 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 second quarter ended June 30, 2018.

Net income in the second quarter of 2018 was $2.145 million, compared to $1.435 million in the same period of 2017. Second quarter 2018 diluted earnings per share rose to $0.60, compared to $0.41 in the second quarter of 2017. The increase in net income from the year-ago period primarily reflects increases in both net interest income and non-interest income, with lower non-interest expenses.

Net interest income in the 2018 second quarter increased by $23 thousand, or 0.3%, from the same quarter in 2017.

Non-interest income in the second quarter of 2018 increased by $570 thousand, or 11.1%, from the same period in 2017. The increase is primarily due to $1.4 million of revenue from an investment in a Small Business Investment Company (SBIC) fund that sold a portfolio company. Gains on sales of SBA loans were higher in the second quarter of 2018, while mortgage banking revenues were lower than in the second quarter of 2017.

Non-interest expense in the second quarter of 2018 decreased by $117 thousand, or 1.2%, when compared to the second quarter of 2017, as higher compensation costs were offset by lower professional fees and mortgage banking expenses.

The provision for credit losses was $0 in the second quarter of 2018 and $150 thousand in the second quarter of 2017. The ratio of nonperforming assets to total assets decreased to 0.18% at June 30, 2018, from 0.21% at December 31, 2017. The allowance for loan losses was 1.67% of loans and leases held for investment at June 30, 2018, compared to 1.84% at December 31, 2017.

Book value per common share at June 30, 2018 was $21.88 compared to $22.40 at December 31, 2017. Excluding accumulated other comprehensive (loss) or income, book value per common share at June 30, 2018 was $23.64, compared to $22.38 at December 31, 2017 and $21.71 at June 30, 2017.

Management Comments

Timothy J. Franz, BNC President and Chief Executive Officer, said, “We are pleased to report higher net income of $2.1 million in the second quarter and $4.5 million in the first half of 2018. We continue to focus on making investments in businesses, people and assets to create shareholder value over time. The earnings this quarter on our investment in an SBIC equity fund is a good example of our focus on generating value. We are also pleased to report 9.7% growth in loans held for investment. Loan production teams in all of our banking markets have generated growth in 2018."

Mr. Franz continued, "The economics in western North Dakota related to energy have improved significantly in recent periods as oil production in this region is approaching record levels. The demand for loans in our other banking markets is encouraging, our credit metrics remain very good and our capital position is strong. Importantly, our people continue to be active in the communities where we live and work. This participation improves our communities and over time creates value for shareholders."

Second Quarter 2018 Comparison to Second Quarter 2017

Net interest income for the second quarter of 2018 was $7.062 million, an increase of $23 thousand, or 0.3%, from $7.039 million in the same period of 2017. The increase reflects the benefit of higher loan and investment balances and yields, partially offset by an increased cost of deposits. Overall, the net interest margin increased to 3.07% in the second quarter of 2018 from 2.96% in the second quarter of 2017.

Interest income increased $619 thousand, or 7.8%, to $8.520 million in the second quarter of 2018, compared to $7.901 million in the second quarter of 2017. This increase is the result of higher balances and yields on loans held for investment and taxable investments. The yield on average interest earning assets was 3.69% in the second quarter of 2018 compared to 3.34% in the second quarter of 2017. The average balance of interest earning assets in the second quarter of 2018 decreased by $29.5 million when compared to the same period of 2017. In the first half of 2017 our deposits surged by more $100 million and, as expected, our customers have redeployed a significant portion of these deposits. As a result, the average balance of cash held at the Federal Reserve decreased by $64.8 million when comparing the two periods. The average balance of loans and leases held for investment increased by $36.2 million, yielding $600 thousand of additional interest income, while the average balance of mortgage loans held for sale was lower by $5.4 million than the same period of 2017. The average balance of investment securities was $4.3 million higher in the second quarter of 2018 than in the second quarter of 2017, yielding $182 thousand in additional interest income.

Interest expense in the second quarter of 2018 was $1.458 million, an increase of $596 thousand from the same period in 2017. The cost of interest bearing liabilities was 0.80% in the current quarter compared to 0.46% 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 second quarter of 2018 and 2017 was 0.48% and 0.27%, respectively.

Provision for credit losses was $0 in the second quarter of 2018 and $150 thousand in the second quarter of 2017.

Non-interest income for the second quarter of 2018 was $5.727 million, an increase of $570 thousand, or 11.1%, from $5.157 million in the second quarter of 2017. Gains on sales of assets were $123 thousand higher in the second quarter of 2018 compared to the same period of 2017. Mortgage banking revenues were $2.636 million in the second quarter of 2018, a decrease of $436 thousand when compared to $3.072 million in the second quarter of 2017. As previously discussed, other non-interest income includes $1.4 million of earnings related to an investment in an SBIC fund. Life to date, our investment of $1.2 million in this SBIC fund has returned more than $6.4 million of cash. Gains on sales of assets and earnings from certain investments can vary significantly from period to period.

Non-interest expense for the second quarter of 2018 decreased $117 thousand, to $10.014 million, from $10.131 million in the second quarter of 2017. Salaries and employee benefits expense increased compared to second quarter of 2017 by $240 thousand, or 4.7%, primarily due to higher compensation expense in line with higher quarterly earnings and loan production. Professional services expense decreased compared to the second quarter of 2017 by $247 thousand, or 22.1%, primarily due to reduced mortgage banking volumes and lower legal expenses. Marketing and promotion expenses decreased $63 thousand, or 6.0%, in line with lower mortgage banking activity.

In the second quarter of 2018, income tax expense was $630 thousand, compared to $480 thousand in the second quarter of 2017. The effective tax rate was 22.7% in the second quarter of 2018, compared to 25.1% 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 $2.145 million, or $0.60 per diluted share in the second quarter of 2018. Net income in the second quarter of 2017 was $1.435 million, or $0.41 per diluted share.

Six Months Ended 2018 Comparison to Six Months Ended 2017

Net interest income in the first half of 2018 was $13.922 million, an increase of $350 thousand, or 2.6%, from $13.572 million in the same period of 2017. Overall, the net interest margin increased to 3.09% in the first six months of 2018 from 3.02% in the first six months of 2017.

Interest income increased $1.321 million, or 8.7%, to $16.536 million in the six-month period ended June 30, 2018, compared to $15.215 million in the six-month period ended June 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 3.66% in the six-month period ended June 30, 2018 and 3.41% in the same period of 2017. The average balance of interest earning assets increased by $3.6 million. The average balance of loans and leases held for investment increased by $25.1 million, yielding $872 thousand of additional interest income, while the average balance of mortgage loans held for sale was largely unchanged from the same period of 2017. The average balance of investment securities was $17.8 million higher in the first half of 2018 than in the first half of 2017, yielding $612 thousand in additional interest income. The average balance of cash held at the Federal Reserve decreased by $36.6 million when comparing the two periods.

Interest expense in the first half of 2018 was $2.614 million, an increase of $971 thousand from the same period in 2017. The cost of interest bearing liabilities was 0.73% in the first six months compared to 0.46% in the same period of 2017. Interest expense increased on deposits, driven largely by increased cost of consumer certificates of deposit and money market accounts. The cost of core deposits in the first half of 2018 and 2017 was 0.44% and 0.27%, respectively. The Company obtained $30.0 million of brokered certificates of deposit in the first quarter of 2018.

Provision for credit losses was $0 in the first half of 2018 and $150 thousand in the first half of 2017.

Non-interest income for the first six months of 2018 was $11.608 million, an increase of $1.704 million, or 17.2%, from $9.904 million in the first six months of 2017. Gains on sales of assets were $1.392 million higher in the first six months of 2018 compared to the same period of 2017. Mortgage banking revenues were $5.137 million in the first half of 2018, a decrease of $439 thousand when compared to $5.576 million in the first half of 2017. Other income includes $1.4 million of revenue from SBIC investments. Gains on sales of assets and earnings from certain investments can vary significantly from period to period.

Non-interest expense for the first six months of 2018 decreased $207 thousand, to $19.782 million, from $19.989 million in the first six months of 2017. Salaries and employee benefits expense increased by $231 thousand, or 2.2%, primarily due to higher compensation expense in line with higher year-to-date 2018 earnings and loan production. Professional services expense decreased compared to the first six months of 2017 by $510 thousand, or 23.5%, primarily due to reduced mortgage banking volumes and reduced legal fees. Marketing and promotion expenses increased $86 thousand, or 4.8%, largely attributed to increased competition for mortgage banking leads. Other expense decreased by $52 thousand largely due to mortgage cost reduction efforts initiated in the second half of 2017.

During the six-month period ended June 30, 2018, income tax expense was $1.207 million, compared to $841 thousand in the first half of 2017. The effective tax rate was 21.0% in the first half of 2018, compared to 25.2% 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 was $4.541 million, or $1.28 per diluted share, for the six months ended June 30, 2018. Net income in the first six months of 2017 was $2.496 million, or $0.70 per diluted share.

Assets, Liabilities and Equity

Total assets were $987.7 million at June 30, 2018, an increase of $41.6 million, or 4.4%, compared to $946.1 million at December 31, 2017. Loans and leases held for investment aggregated $467.7 million at June 30, 2018, an increase of $39.4 million, or 9.2%, since December 31, 2017 and an increase of $41.5 million, or 9.7%, since June 30, 2017. Loans held for sale as of June 30, 2018 were down $7.1 million from December 31, 2017. Investment securities increased $13.5 million from year-end 2017.

Total deposits increased $43.7 million to $861.5 million at June 30, 2018, compared to $817.8 million at December 31, 2017. At June 30, 2018 total deposits include $30.0 million of brokered deposits that were acquired as an attractive alternative relative to comparable FHLB advances. At June 30, 2018, core deposits, which include recurring customer repurchase agreement balances, increased by $13.3 million to

$849.1 million, or 1.6%, from $835.8 million as of December 31, 2017.

The table below shows total deposits since 2014:

(In Thousands)	June 30, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
ND Bakken Branches	$ 176,318	$ 168,981	$ 178,677	$ 190,670	$ 178,565
ND Non-Bakken Branches	440,087	435,255	384,476	388,630	433,129
Total ND Branches	616,405	604,236	563,153	579,300	611,694
Brokered Deposits	30,000	-	-	33,363	53,955
Other	215,107	213,570	189,474	167,786	145,582
Total Deposits	$ 861,512	$ 817,806	$ 752,627	$ 780,449	$ 811,231

Trust assets under management or administration increased 18.0%, or $51.4 million, to $337.0 million at June 30, 2018, compared to $285.6 million at June 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 $63.3 million, or 23.1%.

Capital

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

At June 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 June 30, 2018 and December 31, 2017 is presented below:

	June 30, 2018	December 31, 2017
BNCCORP, INC (Consolidated)		
Tier 1 leverage	9.89%	9.53%
Total risk based capital	19.74%	19.98%
Common equity tier 1 risk based capital	14.17%	14.15%
Tier 1 risk based capital	16.76%	16.90%
Tangible common equity	7.69%	8.18%
BNC National Bank		
Tier 1 leverage	10.05%	9.62%
Total risk based capital	18.27%	18.31%
Common equity tier 1 risk based capital	17.02%	17.06%
Tier 1 risk based capital	17.02%	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 $21.88 as of June 30, 2018, compared to $22.40 at December 31, 2017. Book value per common share, excluding accumulated other comprehensive (loss) or income, was $23.64 as of June 30, 2018, compared to $22.38 at December 31, 2017 and $21.71 at June 30, 2017.

Asset Quality

The allowance for credit losses was $7.8 million at June 30, 2018, compared to $7.9 million at December 31, 2017. The allowance for credit losses as a percentage of total loans at June 30, 2018 decreased to 1.57%, from 1.69% at December 31, 2017. The allowance as a percentage of loans and leases held for investment at June 30, 2018 decreased to 1.67% from 1.84% at December 31, 2017 as a result of loan growth and continuing strong credit ratios in 2018.

Nonperforming assets were $1.8 million at June 30, 2018 and $2.0 million at December 31, 2017. The ratio of nonperforming assets to total assets was 0.18% at June 30, 2018 and 0.21% at December 31, 2017. Nonperforming loans were $1.8 million at June 30, 2018 and $2.0 million at December 31, 2017.

At June 30, 2018, BNC had $10.5 million of classified loans, $1.8 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 $632 thousand of potentially problematic loans, which are risk rated "watch list", at June

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 very 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.

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 June 30, 2018	For the Quarter Ended June 30, 2017	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
SELECTED INCOME STATEMENT DATA				
Interest income	$ 8,520	$ 7,901	$ 16,536	$ 15,215
Interest expense	1,458	862	2,614	1,643
Net interest income	7,062	7,039	13,922	13,572
Provision for credit losses	-	150	-	150
Non-interest income	5,727	5,157	11,608	9,904
Non-interest expense	10,014	10,131	19,782	19,989
Income before income taxes	2,775	1,915	5,748	3,337
Income tax expense	630	480	1,207	841
Net income	$ 2,145	$ 1,435	$ 4,541	$ 2,496
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.61	$ 0.41	$ 1.30	$ 0.72
Diluted earnings per common share	$ 0.60	$ 0.41	$ 1.28	$ 0.70

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended June 30, 2018	For the Quarter Ended June 30, 2017	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 675	$ 671	$ 1,327	$ 1,359
Wealth management revenues	459	411	936	872
Mortgage banking revenues	2,636	3,072	5,137	5,576
Gains on sales of loans, net	175	69	178	612
Gains on sales of investments, net	194	177	2,273	447
Other	1,588	757	1,757	1,038
Total non-interest income	$ 5,727	$ 5,157	$ 11,608	$ 9,904
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 5,370	$ 5,130	$ 10,600	$ 10,369
Professional services	869	1,116	1,659	2,169
Data processing fees	937	990	1,934	1,870
Marketing and promotion	994	1,057	1,869	1,783
Occupancy	580	574	1,165	1,194
Regulatory costs	135	131	275	263
Depreciation and amortization	392	409	798	809
Office supplies and postage	144	160	308	327
Other real estate costs	-	(23)	-	(21)
Other	593	587	1,174	1,226
Total non-interest expense	$ 10,014	$ 10,131	$ 19,782	$ 19,989
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,496,135	3,473,025	3,491,670	3,472,379
Incremental shares from assumed conversion of options and contingent shares	52,215	67,239	56,243	68,042
Adjusted weighted average shares (b)	3,548,350	3,540,264	3,547,913	3,540,421

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share, per share and full time equivalent data)	As of June 30, 2018	As of December 31, 2017	As of June 30, 2017
SELECTED BALANCE SHEET DATA			
Total assets	$ 987,691	$ 946,150	$ 1,001,505
Loans held for sale-mortgage banking	29,459	36,601	37,745
Loans and leases held for investment	467,678	428,325	426,210
Total loans	497,137	464,926	463,955
Allowance for credit losses	(7,788)	(7,861)	(7,898)
Investment securities available for sale	425,443	411,917	440,542
Other real estate, net and repossessed assets	-	-	13
Earning assets	929,398	886,212	945,108
Total deposits	861,512	817,806	877,053
Core deposits (1)	849,090	835,850	891,175
Other borrowings	42,588	43,054	39,135
Cash and cash equivalents	20,604	25,830	55,173
OTHER SELECTED DATA			
Net unrealized (losses) gains in accumulated other comprehensive (loss) income	$ (6,098)	$ 48	$ 3,764
Trust assets under supervision	$ 336,952	$ 321,274	$ 285,627
Total common stockholders' equity	$ 76,096	$ 77,626	$ 78,808
Book value per common share	$ 21.88	$ 22.40	$ 22.80
Book value per common share excluding accumulated other comprehensive (loss) income, net	$ 23.64	$ 22.38	$ 21.71
Full time equivalent employees	258	252	268
Common shares outstanding	3,477,426	3,465,992	3,456,192
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	14.17%	14.15%	13.87%
Tier 1 leverage (Consolidated)	9.89%	9.53%	8.90%
Tier 1 risk-based capital (Consolidated)	16.76%	16.90%	16.66%
Total risk-based capital (Consolidated)	19.74%	19.98%	19.77%
Tangible common equity (Consolidated)	7.69%	8.18%	7.85%
Common equity Tier 1 risk-based capital (Bank)	17.02%	17.06%	17.12%
Tier 1 leverage (Bank)	10.05%	9.62%	9.15%
Tier 1 risk-based capital (Bank)	17.02%	17.06%	17.12%
Total risk-based capital (Bank)	18.27%	18.31%	18.37%
Tangible common equity (Bank)	9.41%	9.91%	9.63%

(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 June 30, 2018	For the Quarter Ended June 30, 2017	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
AVERAGE BALANCES				
Total assets	$ 980,746	$ 1,008,782	$ 966,258	$ 961,531
Loans held for sale-mortgage banking	23,288	28,667	23,514	26,462
Loans and leases held for investment	449,899	413,674	440,028	414,899
Total loans	473,187	442,341	463,542	441,361
Investment securities available for sale	438,091	433,823	434,679	416,916
Earning assets	922,679	952,133	908,530	904,943
Total deposits	850,780	886,365	835,445	837,478
Core deposits	839,135	899,994	830,812	850,291
Total equity	76,005	77,344	76,683	75,979
Cash and cash equivalents	24,641	89,745	23,722	60,317
KEY RATIOS				
Return on average common stockholders' equity (a)	10.55%	7.75%	11.38%	6.83%
Return on average assets (b)	0.88%	0.57%	0.95%	0.52%
Net interest margin	3.07%	2.96%	3.09%	3.02%
Efficiency ratio	78.31%	83.07%	77.49%	85.15%
Efficiency ratio (BNC National Bank)	75.03%	80.05%	74.22%	81.80%

(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 June 30, 2018	As of December 31, 2017	As of June 30, 2017
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ -	$ 26	$ -
Non-accrual loans	1,769	1,952	2,142
Total nonperforming loans	$ 1,769	$ 1.978	$ 2,142
Other real estate, net and repossessed assets	-	-	13
Total nonperforming assets	$ 1,769	$ 1,978	$ 2,155
Allowance for credit losses	$ 7,788	$ 7,861	$ 7,898
Troubled debt restructured loans	$ 3,381	$ 1,908	$ 1,932
Ratio of total nonperforming loans to total loans	0.36%	0.43%	0.46%
Ratio of total nonperforming assets to total assets	0.18%	0.21%	0.22%
Ratio of nonperforming loans to total assets	0.18%	0.21%	0.21%
Ratio of allowance for credit losses to loans and leases held for investment	1.67%	1.84%	1.85%
Ratio of allowance for credit losses to total loans	1.57%	1.69%	1.70%
Ratio of allowance for credit losses to nonperforming loans	440%	397%	369%

(In thousands)	For the Quarter Ended June 30, 2018	For the Quarter Ended June 30, 2017	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 1,950	$ 2,672	$ 1,978	$ 2,445
Additions to nonperforming	91	159	157	716
Charge-offs	(62)	(330)	(93)	(536)
Reclassified back to performing	-	-	(26)	-
Principal payments received	(210)	(319)	(247)	(443)
Transferred to other real estate owned	-	(40)	-	(40)
Balance, end of period	$ 1,769	$ 2,142	$ 1,769	$ 2,142

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended June 30, 2018	For the Quarter Ended June 30, 2017	For the Six Months Ended June 30, 2018	For the Six Months Ended June 30, 2017
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 7,811	$ 8,040	$ 7,861	$ 8,285
Provision	-	150	-	150
Loans charged off	(86)	(337)	(143)	(590)
Loan recoveries	63	45	70	53
Balance, end of period	$ 7,788	$ 7,898	$ 7,788	$ 7,898
Ratio of net charge-offs to average total loans	(0.005)%	(0.066)%	(0.016)%	(0.122)%
Ratio of net charge-offs to average total loans, annualized	(0.019)%	(0.264)%	(0.031)%	(0.243)%

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

	As of		
(In thousands)	June 30, 2018	December 31, 2017	June 30, 2017
Other Real Estate:			
Other real estate	$ -	$ -	$ -
Valuation allowance	-	-	-
Other real estate, net	$ -	$ -	$ -

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of June 30, 2018	As of December 31, 2017	As of June 30, 2017
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 49,332	$ 36,590	$ 41,824
Construction	6,662	4,747	3,908
Agricultural	26,049	23,004	24,558
Land and land development	9,111	8,494	9,112
Owner-occupied commercial real estate	42,798	44,173	44,885
Commercial real estate	110,213	108,191	106,541
Small business administration	6,507	4,558	4,406
Consumer	60,416	56,318	50,652
Subtotal loans held for investment	$ 311,088	$ 286,075	$ 285,886
Consolidated			
Commercial and industrial	$ 68,370	$ 51,524	$ 53,953
Construction	17,027	13,167	11,365
Agricultural	26,951	23,773	25,240
Land and land development	14,480	14,168	15,178
Owner-occupied commercial real estate	52,587	50,872	49,518
Commercial real estate	180,581	177,429	176,210
Small business administration	31,171	25,064	27,446
Consumer	75,963	71,876	66,902
Total loans held for investment	$ 467,130	$ 427,873	$ 425,812