NEWS RELEASE

FOR FURTHER INFORMATION:
WEBSITE: www.bnccorp.com

DANIEL J. COLLINS, INTERIM CEO
TELEPHONE: (612) 305-2210

MARK PEILER, INTERIM CFO
TELEPHONE: (612) 305-2233

BNCCORP, INC. REPORTS FIRST QUARTER NET INCOME OF $9.8 MILLION, OR $2.73 PER DILUTED SHARE

Highlights

- **Net income in the first quarter of 2021 increased to $9.8 million, or $2.73 per diluted share, from $4.3 million, or $1.21 per diluted share in the first quarter of 2020.**
- **Return on assets and return on equity were 3.60% and 32.70%, respectively for the quarter ended March 31, 2021, compared to 1.78% and 17.59%, respectively, for the first quarter of 2020.**
- **Mortgage revenue rose to $16.1 million in the first quarter of 2021, from $8.6 million in the 2020 period.**
- **Allowance for credit losses at March 31, 2021, was 1.98% of loans held for investment, excluding $70.1 million of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, unchanged from December 31, 2020.**
- **Tangible book value per share increased $2.29 to $35.68 at March 31, 2021, from $33.39 at December 31, 2020.**
- **Total assets top $1.2 billion at March 31, 2021 as deposits grew $212.3 million, or 24.9%, in the first quarter of 2021 to $1.1 billion.**
- **Nonperforming assets to total assets declined to 0.21% at March 31, 2021, from 0.24% at December 31, 2020.**
- **In April 2021, the Company closed its Golden Valley, Minnesota branch sale.**

BISMARCK, ND, April 29, 2021 – BNCCORP, INC. (BNC or the Company) (OTCQX Markets: BNCC), which operates community banking and wealth management businesses in North Dakota and Arizona, and has mortgage banking offices in Illinois, Kansas, Missouri, Michigan, Arizona, and North Dakota, today reported financial results for the first quarter ended March 31, 2021.

Overview of Quarter

Net income in the first quarter of 2021, was $9.8 million, compared to $4.3 million in the same period of 2020. First quarter 2021 earnings per diluted share rose 125.6% to $2.73 from $1.21 in the first quarter 2020. The year-over-year period increase in net income was primarily due to higher net interest income, no provision for credit losses, and increased mortgage revenues partially offset by higher non-interest expense and the absence of gains on sales of debt securities that occurred in the comparable 2020 period.

First quarter 2021 net interest income increased by $1.7 million to $9.1 million, or 22.0%, from the comparable 2020 quarter. Interest income increased by $717 thousand, or 8.0%, from the 2020 first quarter. The impact of loan growth, including PPP loans and fees, was offset by lower yields on loans, and lower balances and yields on debt securities. First quarter 2021 interest expense decreased by $916 thousand, or 58.0%, due to reductions in the cost of deposits and borrowings, and a reduction in certificates of deposit.

Non-interest income in the first quarter of 2021 grew by $6.7 million, or 62.0%, from the same period in 2020. In the first quarter of 2021, mortgage banking revenues were $16.1 million, $7.5 million higher than the same period a year ago, driven primarily by refinance activity stemming from lower mortgage interest rates compared to the prior-year period. There were no gains or losses on sales of debt securities in the first quarter of 2021 compared to gains on sales of debt securities of $975 thousand in the 2020 first quarter.

Non-interest expense in the 2021 first quarter increased by $1.6 million, or 13.4%, versus the first quarter of 2020 due primarily to increases in mortgage banking operating costs.

The ratio of nonperforming assets to total assets was 0.21% at March 31, 2021, compared to 0.24% at December 31, 2020. The Company did not record a provision for credit losses in the 2021 first quarter versus $550 thousand in the first quarter of 2020. The allowance for credit losses was 1.98% of loans held for investment (excluding $70.1 million of PPP loans) at March 31, 2021, equal to 1.98% at December 31, 2020. The Company continues to monitor key industry data and will prudently adjust its allowance for credit losses as appropriate.

At March 31, 2021, loans modified consistent with Section 4013 of the CARES Act totaled $30.7 million, or 5.9% of gross loans held for investment excluding PPP loans, and a decrease of 26.7% from $42.0 million as of December 31, 2020. The majority of these modified loans (75%) are in the pandemic-impacted hotel industry. Non-owner occupied commercial real estate and the non-hotel accommodation and food service industry comprise another 8% and 2% of CARES Act modified loans, respectively. All of these currently modified loans will reach the end of their payment modification period by June 30, 2021.

Tangible book value per common share at March 31, 2021, was $35.68, compared to $33.39 at December 31, 2020, an increase of $2.29 per common share. The tangible common equity capital ratio decreased to 10.31% at March 31, 2021, from 11.01% at December 31, 2020 as an increase in deposits near quarter end raised total assets.

Management Commentary

Daniel J. Collins, BNC's Interim President and Chief Executive Officer stated, "We continued to deliver strong performance in our first quarter. Supporting small to mid-size businesses and our communities through PPP loan activity, re-establishing commercial lending opportunities in our chosen markets, and serving our mortgage customers helped drive year-over-year gains. As the U.S. economy emerges from the pandemic challenges and uncertainty of 2020, we are cautiously optimistic about future opportunities and our position in the market.

"BNC today is strong and stable, with a keen eye on what is ahead. Within our community banking segment, we are focused on further improving key performance metrics. Our mortgage banking operation began to transition from capitalizing on the refinancing opportunity of last year to supporting our mortgage customers' financing of home purchases. On the commercial side of our business, our team is energized by the resumption in business activity in our markets and opportunities for loan growth as the year progresses. Our efforts are supported by a strong balance sheet and liquidity, and we are dedicated to continuing growth in our core markets of North Dakota and Arizona, exercising fiscal prudence while maximizing opportunity."

<u>2021 Versus 2020 First Quarter Comparison</u>

Net interest income for the first quarter of 2021 was $9.1 million, an increase of $1.7 million, or 22.0%, from $7.4 million in the first quarter of 2020. The increase primarily reflected the impact of increases in loans held for sale and loans held for investment, including PPP loans and fees, lower balances and yields of debt securities and reduced cost of deposits and borrowings. Net interest margin increased to 3.57% in the 2021 first quarter, compared to 3.28% in the year-earlier period.

First quarter interest income increased $717 thousand, or 8.0%, to $9.7 million in 2021, compared to $9.0 million in the first quarter of 2020. The increase is the result of the impact of higher average loan balances including PPP loans and fees, partially offset by a reduction in loan yields, due to the lower interest rate environment compared to the first quarter of 2020. Additionally, interest income from debt securities decreased due to lower balances and yields as a reduction in debt securities supported increased loan activity. The yield on average interest-earning assets was 3.83% in the first quarter of 2021, compared to 3.96% in the 2020 first quarter.

The average balance of interest-earning assets in the 2021 first quarter increased by $118.7 million versus the same period of 2020, primarily due to an increase in interest-bearing cash, loans held for sale and loans held for investment including PPP loans, offset by decreased average debt securities. The average balance of loans held for investment increased by $68.7 million, yielding $1.4 million of additional interest income, with PPP loans accounting for $59.6 million of the $68.7 million increase. The average balance of mortgage loans held for sale was $200.1 million, $77.3 million higher than the same period of 2020. Interest income from loans held for sale increased $166 thousand as the higher average balance was largely offset by a lower average yield on loans held for sale due to the year-over-year decrease in mortgage rates. The average balance of debt securities in the first quarter of 2021 was $179.2 million, $71.9 million lower than in the first quarter of 2020, resulting in a $769 thousand decrease in interest income.

Interest expense in the first quarter of 2021 was $662 thousand, a decrease of $916 thousand, or 58.0%, from the 2020 period. The cost of interest-bearing liabilities was 0.35% during the quarter, compared to 0.88% in the same period of 2020. The cost of core deposits in the first quarters of 2021 and 2020 was 0.26% and 0.69%, respectively.

At the end of the 2021 first quarter, credit metrics remained relatively stable with a 0.21% nonperforming loans-to-total-asset ratio, compared to 0.24% at year-end 2020. The Company did not record a provision for credit losses in the first quarter of 2021, compared to a $550 thousand provision recorded in the first quarter of 2020. The Company continues to monitor the loan portfolio and will prudently evaluate its allowance for credit losses as appropriate.

Non-interest income for the first quarter of 2021 was $17.5 million, an increase of $6.7 million, or 62.0%, from $10.8 million in the 2020 first quarter. Mortgage banking revenues were $16.1 million in the first quarter of 2021, an increase of $7.5 million, or 86.4%, compared to $8.6 million in the first quarter of 2020. The increase was driven by lower mortgage rates relative to the prior year period facilitating higher mortgage banking origination activity. In the first quarter of 2021, BNC funded 2,426 mortgage loans with combined balances of $874.8 million, compared to 1,400 mortgage loans with combined balances of $505.1 million in the first quarter of 2020. Wealth management revenues increased $104 thousand, or 23.6%, as assets under administration increased relative to the 2020 period, which were impacted by pandemic related market challenges. There were no gains on sales of debt securities in the first quarter of 2021, compared to gains of $975 thousand in the same period of 2020. The sale of SBA loans resulted in gains on sales of loans of $97 thousand, while other non-interest income increased $108 thousand largely due to a Small Business Investment Company (SBIC) profit distribution. Gains on sales of assets and distributions from SBIC's can vary significantly from period to period.

Non-interest expense for the first quarter of 2021 increased $1.6 million, or 13.4%, to $13.6 million, from $12.0 million in the first quarter of 2020. Non-interest expenses related to higher mortgage operations activity increased by $2.0 million. Combined expenses for community banking and the holding company decreased by $0.4 million compared to the 2020 period.

In the first quarter of 2021, income tax expense was $3.2 million, compared to $1.4 million in the first quarter of 2020. The effective tax rate was 24.5% in the first quarter of 2021, compared to 24.0% in the same period of 2020.

Net income rose to $9.8 million, or $2.73 per diluted share, in the first quarter of 2021, versus $4.3 million, or $1.21 per diluted share in the first quarter of 2020.

Assets and Liabilities

Total assets were $1.2 billion at March 31, 2021, an increase of $153.0 million, compared to $1.1 billion at December 31, 2020. This increase is primarily due to higher cash and cash equivalents and loans held for investment as a result of an increase in PPP loan balances offset by decreased mortgage loans held for sale and balances of debt securities. Cash and cash equivalent balances increased $230.3 million due to significant commercial deposits received near the end of the quarter.

PPP loan balances of $70.1 million largely drove an $18.1 million, or 3.2%, increase in loans held for investment compared to December 31, 2020. In the first quarter of 2021, BNC funded $50.5 million of new PPP loans while PPP loan balances of $31.0 million were forgiven during the first quarter of 2021. As of March 31, 2021, $13.1 million of the $19.6 million remaining first round of PPP loans had been submitted to the SBA for forgiveness consideration.

Total loans held for investment were $589.0 million at March 31, 2021. Loans held for sale as of March 31, 2021, were $179.5 million, a decrease of $70.6 million when compared to December 31, 2020, as mortgage origination activity began to moderate in the second half of the first quarter of 2021 in comparison to the activity during the fourth quarter of 2020. Debt securities decreased $12.0 million from year-end 2020 while cash and cash equivalent balances totaled $242.7 million as of March 31, 2021.

Total deposits increased $212.3 million to $1.1 billion at March 31, 2021, from $853.2 million at December 31, 2020. Deposits in the Company's North Dakota branches increased by approximately $200 million during the quarter. A significant portion of this growth was the result of significant cash generating transactions by our customers during and near the end of the quarter. BNC anticipates that a portion of these balances may be redeployed by our customers as 2021 continues. Deposit growth was further supported by PPP lending activity, the maintenance of liquidity by customers, and government stimulus payments, offset by a reduction of certificates of deposit.

On April 16, 2021, the Company closed on its previously announced sale of loans and deposits related to its Golden Valley, Minnesota location. Loans sold and deposits transferred as part of the transaction totaled $17.7 million and $15.9 million respectively.

At March 31, 2021, there were no FHLB advances outstanding, compared to $30.9 million at December 31, 2020.

During the first quarter of 2021, the Company paid a special dividend of $8.00 per share previously recorded on the balance sheet as dividends payable of approximately $28.7 million as of December 31, 2020.

Trust assets under management or administration increased 4.9%, or $18.7 million, to $403.3 million at March 31, 2021, from $384.6 million at December 31, 2020.

Asset Quality

The allowance for credit losses was $10.3 million at March 31, 2021 and December 31, 2020. The allowance as a percentage of loans held for investment at March 31, 2021, decreased to 1.74% from 1.81% at December 31, 2020. Excluding $70.1 million of PPP loans, which are 100% guaranteed by the SBA, the allowance for credit losses as a percentage of loans held for investment at March 31, 2021, remained steady at 1.98%.

Nonperforming assets, consisting of loans, were $2.6 million at March 31, 2021, and December 31, 2020. The ratio of nonperforming assets to total assets was 0.21% at March 31, 2021, and 0.24% at December 31, 2020.

At March 31, 2021, and December 31, 2020, BNC had $7.3 million of classified loans and $2.6 million of loans on non-accrual. BNC had $9.1 million of potentially problematic loans, which are risk rated "watch list", at March 31, 2021, and December 31, 2020. The Company did not hold any other real estate owned or repossessed assets at March 31, 2021, or December 31, 2020.

The Company continues to monitor the effects of COVID-19 on its customers and end markets, which appear to be moderating. BNC will adjust its provision for credit losses in future periods, as appropriate, for certain sub-segments of its loan portfolio that are more sensitive to unemployment and business interruption.

The Company continues to assist borrowers through the COVID-19 pandemic. To this end, the Company modified loans consistent with Section 4013 of the CARES Act. These loans were current as of December 31, 2019, and as a result, are not currently subject to troubled debt restructure accounting standards.

The following table provides a summary of loan modifications by industry made pursuant to Section 4013 of the CARES Act as of March 31, 2021 (in thousands):

	Principal Payment Deferral	Full Payment Deferral	Total
Hotels	$ 11,370	$ 11,667	$ 23,037
Non-owner occupied commercial real estate	2,368	-	2,368
Mining, oil and gas extraction	-	1,629	1,629
Educational services	1,535	-	1,535
Transportation and warehousing	867	-	867
Non-hotel accommodation and food service	752	-	752
Art, entertainment and recreation	-	478	478
Consumer, not otherwise categorized	-	75	75
Total	$ 16,892	$ 13,849	$ 30,741

BNC's loans held for investment are concentrated geographically in North Dakota and Arizona which comprise 57% and 27% of the total loan portfolio, respectively. The North Dakota economy is influenced by the energy and agriculture industries. Legislation and other factors negatively impacting energy prices could present potential challenges to credit quality in North Dakota. Potential drought conditions, fluctuating input costs and lower commodity prices in the agriculture industry also present potential credit risks in North Dakota. The Arizona economy is influenced by the leisure and travel industries. An extended slowdown in these industries may negatively impact credit quality in Arizona. BNC's portfolio is constructed of various sized loans spread over a large number of industry sectors, although concentrations of loans in hospitality and real estate make up notable percentages of the portfolio.

The following table approximates the Company's significant concentrations by industry, excluding PPP loans of $70.1 million, as of March 31, 2021 (in thousands):

Loans Held for Investment by Industry Sector

	March 31, 2021		December 31, 2020	
Non-owner occupied commercial real estate – not otherwise categorized	$ 153,747	30 %	$ 143,361	28 %
Hotels	75,966	15	76,335	15
Consumer, not otherwise categorized	74,344	14	76,363	15
Healthcare and social assistance	37,118	7	37,632	7
Agriculture, forestry, fishing and hunting	28,147	5	27,321	5
Non-hotel accommodation and food service	23,783	5	23,530	5
Retail trade	22,237	4	26,129	5
Transportation and warehousing	21,680	4	24,897	5
Mining, oil and gas extraction	15,527	3	20,223	4
Manufacturing	11,980	2	11,139	2
Construction contractors	11,236	2	12,235	2
Real estate and rental and leasing support	8,254	2	7,735	1
Other service	8,193	2	8,394	2
Art, entertainment and recreation	6,977	1	7,279	1
Wholesale trade	5,455	1	2,255	-
All other	15,172	3	15,719	3
Gross loans held for investment (excluding PPP loans)	$ 519,816	100 %	$ 520,547	100 %

The hospitality industry continues to experience challenges related to COVID-19 including hotel occupancy and restaurant utilization. While states and specific regions within the Company's core markets are relaxing restrictions, further issues may still remain either from fluctuating virus levels or lasting impacts from the past year on the economy and the Company's borrowers. The oil and gas industry, while still exposed to COVID-19 related effects, is also subject to the negative impact of government policy making and regulation on energy production and transportation. Oil prices have improved recently, but oil and gas well activity in North Dakota remains well off pre-COVID-19 levels.

The conclusion or lasting impact of the pandemic remains undefined. Positive developments through vaccination efforts and relaxed restrictions are noticeable, and government stimulus into the economy has helped. However, the potential for lingering impacts from the pandemic on the economy related to development, business production, consumer strength and employment levels remain. The Company's loan portfolio and credit risk could still experience adversity as the direct impacts of the pandemic ease.

Capital

Banks and bank holding companies operate under separate regulatory capital requirements. At March 31, 2021, the Company's capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

A summary of BNC's capital ratios at March 31, 2021, and December 31, 2020, is presented below:

	March 31, 2021	December 31, 2020
BNCCORP, INC. (Consolidated)		
Tier 1 leverage	12.17%	11.74%
Common equity tier 1 risk based capital	16.78%	14.65%
Tier 1 risk based capital	18.88%	16.63%
Total risk based capital	20.14%	17.88%
Tangible common equity	10.31%	11.01%
BNC National Bank		
Tier 1 leverage	11.49%	10.92%
Common equity tier 1 risk based capital	17.82%	15.47%
Tier 1 risk based capital	17.82%	15.47%
Total risk based capital	19.08%	16.72%

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

The Company 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. The Company manages capital by assessing the composition of capital and the amounts available for growth, risk, or other purposes.

About BNCCORP, INC.

BNCCORP, INC., headquartered in Bismarck, N.D., is a registered bank holding company dedicated to providing banking and wealth management services to businesses and consumers in its local markets. The Company operates community banking and wealth management businesses in North Dakota and Arizona from 12 locations. BNC also conducts mortgage banking from 11 locations in Illinois, Kansas, Missouri, Michigan, Arizona and North Dakota.

This news release may contain "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of BNC. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management are generally identifiable by the use of words such as “expect”, “believe”, “anticipate”, “at the present time”. “plan”, “optimistic”, “intend”, “estimate”, “may”, “will”, “would”, “could”, “should”, “future” and other expressions relating to future periods. Examples of forward-looking statements include, among others, statements we make regarding our expectations regarding future market conditions and our ability to capture opportunities and pursue growth strategies, our expected operating results such as revenue growth and earnings and our expectations of the effects of the regulatory environment or the Coronavirus / COVID-19 pandemic 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 the Coronavirus / COVID-19 pandemic, the impact of current and future regulation; the risks of loans and investments, including dependence on local and regional economic conditions; competition for our customers from other providers of financial services; possible adverse effects of changes in interest rates, including the effects of such changes on mortgage banking revenues and derivative contracts and associated accounting consequences; risks associated with our acquisition and growth strategies; and other risks which are difficult to predict and many of which are beyond our control. In addition, all statements in this news release, including forward-looking statements, speak only of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

This press release contains references to financial measures, which are not defined in GAAP. Such non-GAAP financial measures include tangible common equity to total period end assets ratio. These non-GAAP financial measures have been included as the Company believes they are helpful for investors to analyze and evaluate the Company’s financial condition.

(Financial tables attached)

# # #

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

	For the Quarter Ended,		
(In thousands, except per share data)	**March 31, 2021**	**December 31, 2020**	**March 31, 2020**
SELECTED INCOME STATEMENT DATA			
Interest income	$ 9,719	$ 9,238	$ 9,002
Interest expense	662	716	1,578
Net interest income	9,057	8,522	7,424
Provision for credit losses	-	270	550
Non-interest income	17,490	23,636	10,794
Non-interest expense	13,621	16,006	12,007
Income before income taxes	12,926	15,882	5,661
Income tax expense	3,161	3,433	1,359
Net income	$ 9,765	$ 12,449	$ 4,302
EARNINGS PER SHARE DATA			
Basic earnings per common share	$ 2.73	$ 3.49	$ 1.21
Diluted earnings per common share	$ 2.73	$ 3.49	$ 1.21

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share data)	For the Quarter Ended, March 31, 2021	December 31, 2020	March 31, 2020
ANALYSIS OF NON-INTEREST INCOME			
Bank charges and service fees	$ 554	$ 581	$ 631
Wealth management revenues	545	475	441
Mortgage banking revenues	16,058	22,261	8,616
Gains on sales of loans, net	97	-	3
Gains on sales of debt securities, net	-	-	975
Other	236	319	128
Total non-interest income	$ 17,490	$ 23,636	$ 10,794
ANALYSIS OF NON-INTEREST EXPENSE			
Salaries and employee benefits	$ 7,614	$ 7,704	$ 6,311
Professional services	1,772	2,420	1,278
Data processing fees	1,165	1,306	1,124
Marketing and promotion	999	1,475	1,426
Occupancy	550	572	535
Regulatory costs	115	116	56
Depreciation and amortization	328	338	356
Office supplies and postage	133	131	134
Other	945	1,944	787
Total non-interest expense	$ 13,621	$ 16,006	$ 12,007
WEIGHTED AVERAGE SHARES			
Common shares outstanding (a)	3,573,257	3,568,067	3,558,702
Dilutive effect of share-based compensation	410	264	7,821
Adjusted weighted average shares (b)	3,573,667	3,568,331	3,566,523

(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 March 31, 2021	As of December 31, 2020	As of March 31, 2020
SELECTED BALANCE SHEET DATA			
Total assets	$ 1,227,151	$ 1,074,131	$ 1,042,820
Loans held for sale-mortgage banking	179,453	250,083	177,015
Loans held for investment	588,974	570,890	515,905
Total loans	768,427	820,973	692,920
Allowance for credit losses	(10,277)	(10,324)	(8,414)
Debt securities available for sale	171,755	183,717	223,371
Earning assets	1,168,432	999,473	967,721
Total deposits	1,065,490	853,158	896,732
Core deposits (1)	1,068,785	859,543	901,951
Other borrowings	18,298	52,289	20,225
Cash and cash equivalents	242,713	12,443	64,987
Dividends payable	-	28,680	-
OTHER SELECTED DATA			
Net unrealized gains in accumulated other comprehensive income	$ 5,508	$ 7,182	$ 4,115
Trust assets under administration	403,292	384,588	326,548
Total common stockholders' equity	126,506	118,229	103,447
Tangible book value per common share (2)	35.68	33.39	29.22
Tangible book value per common share excluding accumulated other comprehensive income, net	34.13	31.36	28.05
Full time equivalent employees	316	319	306
Common shares outstanding	3,545,356	3,540,522	3,540,650
CAPITAL RATIOS			
Tier 1 leverage (Consolidated)	12.17%	11.74%	11.73%
Common equity Tier 1 risk-based capital (Consolidated)	16.78%	14.65%	13.53%
Tier 1 risk-based capital (Consolidated)	18.88%	16.63%	15.57%
Total risk-based capital (Consolidated)	20.14%	17.88%	16.72%
Tangible common equity (Consolidated)	10.31%	11.01%	9.91%
Tier 1 leverage (Bank)	11.49%	10.92%	10.87%
Common equity Tier 1 risk-based capital (Bank)	17.82%	15.47%	14.41%
Tier 1 risk-based capital (Bank)	17.82%	15.47%	14.41%
Total risk-based capital (Bank)	19.08%	16.72%	15.56%
Tangible common equity (Bank)	10.85%	11.62%	10.57%

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

	For the Quarter Ended March 31,	
(In thousands)	**2021**	**2020**
AVERAGE BALANCES		
Total assets	$ 1,099,697	$ 970,835
Loans held for sale-mortgage banking	200,093	122,745
Loans held for investment	580,588	511,850
Total loans	780,681	634,595
Debt securities available for sale	179,183	251,069
Earning assets	1,028,723	909,993
Total deposits	922,558	831,988
Core deposits	927,223	837,150
Total equity	127,939	101,251
Cash and cash equivalents	86,041	37,567
KEY RATIOS		
Return on average common stockholders' equity (a)	32.70%	17.59%
Return on average assets (b)	3.60%	1.78%
Net interest margin	3.57%	3.28%
Efficiency ratio (Consolidated)	51.31%	65.91%
Efficiency ratio (Bank)	50.68%	63.51%

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

	As of		
(In thousands)	**March 31, 2021**	**December 31, 2020**	**March 31, 2020**
ASSET QUALITY			
Loans 90 days or more delinquent and accruing interest	$ -	$ 1	$ -
Non-accrual loans	2,605	2,611	3,212
Total nonperforming loans	$ 2,605	$ 2,612	$ 3,212
Repossessed assets, net	-	-	5
Total nonperforming assets	$ 2,605	$ 2,612	$ 3,217
Allowance for credit losses	$ 10,277	$ 10,324	$ 8,414
Troubled debt restructured loans	$ 1,951	$ 1,966	$ 2,960
Ratio of total nonperforming loans to total loans	0.34%	0.32%	0.46%
Ratio of total nonperforming assets to total assets	0.21%	0.24%	0.31%
Ratio of nonperforming loans to total assets	0.21%	0.24%	0.31%
Ratio of allowance for credit losses to loans held for investment	1.74%	1.81%	1.63%
Ratio of allowance for credit losses to total loans	1.34%	1.26%	1.21%
Ratio of allowance for credit losses to nonperforming loans	395%	395%	262%

	For the Quarter Ended March 31,	
(In thousands)	**2021**	**2020**
Changes in Nonperforming Loans:		
Balance, beginning of period	$ 2,612	$ 2,033
Additions to nonperforming	93	1,231
Charge-offs	(83)	(10)
Principal payments received	(17)	(37)
Transferred to repossessed assets	-	(5)
Balance, end of period	$ 2,605	$ 3,212

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended March 31, 2021	For the Quarter Ended March 31, 2020
Changes in Allowance for Credit Losses:		
Balance, beginning of period	$ 10,324	$ 8,141
Provision	-	550
Loans charged off	(65)	(288)
Loan recoveries	18	11
Balance, end of period	$ 10,277	$ 8,414
Ratio of net charge-offs to average total loans	(0.006)%	(0.044)%
Ratio of net charge-offs to average total loans, annualized	(0.024)%	(0.175)%

(In thousands)	As of March 31, 2021	As of December 31, 2020	As of March 31, 2020
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 44,000	$ 48,745	$ 51,644
Construction	5,636	4,355	1,398
Agricultural	28,359	26,899	29,368
Land and land development	6,922	5,676	6,232
Owner-occupied commercial real estate	32,991	37,185	38,649
Commercial real estate	106,557	100,456	104,593
Small business administration	40,870	36,111	6,298
Consumer	71,454	72,397	69,137
Subtotal gross loans held for investment	$ 336,789	$ 331,824	$ 307,319
Consolidated			
Commercial and industrial	$ 64,874	$ 71,503	$ 80,959
Construction	22,803	21,748	15,293
Agricultural	28,517	27,092	29,299
Land and land development	9,795	8,603	13,537
Owner-occupied commercial real estate	67,412	67,399	57,539
Commercial real estate	196,271	190,939	187,823
Small business administration	119,953	102,064	48,049
Consumer	80,271	81,783	83,012
Total gross loans held for investment	$ 589,896	$ 571,131	$ 515,511