NEWS RELEASE

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BNCCORP, INC. REPORTS FIRST QUARTER NET INCOME OF $4.3 MILLION, OR $1.21 PER DILUTED SHARE

Highlights

- **Net income in the first quarter of 2020 was $4.3 million, or $1.21 per diluted share, compared to $1.4 million, or $0.40 per diluted share, in the first quarter of 2019.**
- **Return on assets was 1.78% and return on equity was 17.59% for the quarter ended March 31, 2020, compared to a return on assets of 1.01% and return on equity of 11.41% for the year ended December 31, 2019.**
- **Nonperforming assets to total assets were 0.31% at March 31, 2020, compared to 0.21% at December 31, 2019.**
- **Tangible book value increased $1.83 per share to $29.22 at March 31, 2020 from $27.39 at December 31, 2019.**

BISMARCK, ND, April 30, 2020 – 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, Michigan, Arizona, and North Dakota, today reported financial results for the first quarter ended March 31, 2020.

Net income in the first quarter of 2020, was $4.302 million, compared to $1.438 million in the same period of 2019. First quarter 2020 earnings per diluted share rose to $1.21 from $0.40 in the first quarter of 2019.

The increase in net income from the year-ago period primarily reflected slightly higher net interest income, significantly increased mortgage revenues and gains on sales of securities, partially offset by higher non-interest expense and a higher effective tax rate.

Net interest income in the first quarter of 2020 increased by $469 thousand, or 6.7%, from the same quarter in 2019. Interest income decreased as the impact of loan growth was offset by lower investment securities balances. Interest expense decreased as average deposit balances and cost of funds were lower than during the same period in 2019 and subordinated debt was redeemed in the fourth quarter 2019.

Non-interest income in the first quarter of 2020 increased by $6.292 million, or 139.8%, from the same period in 2019. In the first quarter of 2020, mortgage banking revenues were $8.616 million, $5.529 million higher than during the same period a year ago. Gains on sales of securities were $975 thousand during the first quarter of 2020 as compared to $64 thousand in the first quarter of 2019.

Non-interest expense in the first quarter of 2020 increased by $2.325 million, or 24.0%, when compared to the first quarter of 2019 due to increases in mortgage banking operating costs.

The provision for credit losses was $550 thousand in the first quarter of 2020 and $0 in the first quarter of 2019. The ratio of nonperforming assets to total assets was 0.31% at March 31, 2020, compared to 0.21% at December 31, 2019. The allowance for loan losses was 1.63% of loans and leases held for investment at March 31, 2020, compared to 1.60% at December 31, 2019.

Tangible book value per common share at March 31, 2020 was $29.22, compared to $27.39 at December 31, 2019, an increase of $1.83 per common share.

COVID-19 Pandemic

During the first quarter of 2020, the COVID-19 Coronavirus was declared a global pandemic event. While it is too early to estimate the full economic impact of this pandemic, we anticipate a significant decline in economic activity affecting a broad array of industries. Community banks like BNC will be impacted by the pandemic. BNC is operating in an environment with more uncertainty, lower interest rates, higher credit risk, and higher unemployment, which may impact banking operations.

Management Comments

Timothy J. Franz, President and Chief Executive Officer, said, "We delivered strong first quarter results with net income of $4.3 million and diluted earnings per share of $1.21, resulting in a 1.78% return on average assets and a 17.59% return on average equity. Delivering these results is positive for BNC's shareholders. However, as the quarter ended a significant amount of our energy and focus was directed to operating during a global pandemic."

Mr. Franz continued, "With the challenges of the COVID-19 pandemic upon us, BNC is assisting our customers, serving our local communities and operating in a manner that reduces health risks for all. To minimize the spread of COVID-19, we are successfully serving customers with internet and mobile banking products. We are also encouraging customers to use drive-through facilities. When necessary, access to our branch lobbies has been available by appointment. BNC's active efforts to provide loan deferrals and Paycheck Protection Program (PPP) loans offer respite to customers addressing economic challenges brought about by the pandemic. I thank our highly dedicated teams on behalf of BNC and our customers for their extraordinary efforts. We are committed to continuing to help our customers and maintaining a healthy work force while we continue to create value for shareholders. We believe that BNC's solid capital position, liquidity, longstanding emphasis on asset quality, and focus on serving our customers, employees and community will be important strengths as we navigate this difficult period."

First Quarter 2020 Comparison to First Quarter 2019

Net interest income for the first quarter of 2020 was $7.424 million, an increase of $469 thousand, or 6.7%, from $6.955 million in the same period of 2019. The increase from the year-ago period primarily reflected the positive impact of deleveraging through deposit reduction and the redemption of subordinated debt in the fourth quarter of 2019. The net interest margin increased to 3.28% in the first quarter of 2020 compared to 2.99% in the first quarter of 2019.

Interest income decreased $126 thousand, or 1.38%, to $9.002 million in the first quarter of 2020, compared to $9.128 million in the first quarter of 2019, as the impact of higher average loan balances was offset by reduced interest income from investment securities sold to deleverage the balance sheet and fund elevated mortgage loan activity. The yield on average interest earning assets was 3.98% in the first quarter of 2020, compared to 3.93% in the first quarter of 2019. The average balance of interest earning assets in the first quarter of 2020 decreased by $32.8 million compared to the same period of 2019, primarily due to the decrease in average investment securities partially offset by the increase in average loans. The average balance of loans and leases held for investment increased by $45.5 million, yielding $380 thousand of additional interest income, while the average balance of mortgage loans held for sale was $99.9 million higher than the same period of 2019, resulting in $791 thousand of additional interest income. The average balance of investment securities in the first quarter of 2020 was $251.1 million or $174.7 million lower than in the first quarter of 2019, while the interest income thereon was $1.1 million lower than the prior period.

Interest expense in the first quarter of 2020 was $1.578 million, a decrease of $595 thousand from the same period in 2019. The cost of interest-bearing liabilities was 0.88% in the current quarter, compared to 1.12% in the same period of 2019. Interest expense on deposits decreased as a result of lower balances as the Company deleveraged certain higher cost deposits. The cost of core deposits in the first quarter of 2020 and 2019 was 0.69% and 0.85%, respectively. Interest expense was also $159 thousand lower in the 2020 first quarter due to the redemption of $10 million of subordinated debt in the fourth quarter of 2019. Based on deposit repricing executed late in the first quarter of 2020, BNC anticipates its cost of deposits will be under 0.50% to start the second quarter.

At the end of the first quarter 2020, credit metrics remained stable with a 0.31% nonperforming loans to total asset ratio. Due to the uncertain economic impact the COVID-19 pandemic will have on borrowers, the Company recorded a $550 thousand provision for loan losses in the first quarter 2020. This compares to $0 recorded in the first quarter of 2019.

Non-interest income for the fourth quarter of 2020 was $10.794 million, an increase of $6.292 million, or 139.8%, from $4.502 million in the first quarter of 2019. Mortgage banking revenues were $8.616 million in the first quarter of 2020, an increase of $5.529 million, compared to $3.087 million in the first quarter of 2019, as lower interest rates induced higher mortgage banking origination activity. The fair value of mortgage derivatives decreased late in the quarter as a result of mortgage-backed securities market dislocation and general liquidity concerns by mortgage servicers related to mortgagors being able to defer payments pursuant to the Coronavirus Aid Relief and Economic Security (CARES) Act legislation. This dislocation appears to have been short-term as mortgage banking originations have been robust in early April and margins have normalized. Gains on sales of debt securities were $975 thousand in the first quarter of 2020, compared to gains of $64 thousand in the same period of 2019. Debt securities balances can change from period to period depending on shifting liquidity requirements for loan growth or other corporate purposes. Therefore, gains and losses on sales of assets and earnings from certain investments can vary significantly from period to period.

Non-interest expense for the first quarter of 2020 increased $2.324 million, or 24.0%, to $12.006 million, from $9.682 million in the first quarter of 2019. The increase is directly attributed to mortgage operations.

In the first quarter of 2020, income tax expense was $1.359 million, compared to $337 thousand in the first quarter of 2019. The effective tax rate was 24.0% in the first quarter of 2020, compared to 19.0% in the same period of 2019. The increase in the effective tax rate for the full year of 2019 is due to higher pre-tax revenues and lower non-taxable interest income from municipal securities.

Net income was $4.302 million, or $1.21 per diluted share, in the first quarter of 2020. Net income in the first quarter of 2019 was $1.438 million, or $0.40 per diluted share.

Assets and Liabilities

Total assets were $1.042 billion at March 31, 2020, an increase of $76.1 million, compared to $966.8 million at December 31, 2019. This increase is primarily due to increased mortgage loans held for sale balances and increased cash balances resulting from higher deposit balances and the sale of investment securities. Loans and leases held for investment aggregated $515.9 million at March 31, 2020, an increase of $7.3 million, or 1.4%, since December 31, 2019. We anticipate loans and leases held for investment will increase in the second quarter as PPP loans are funded. As of April 24, 2020, BNC had funded 516 PPP loans totaling $86.7 million. In addition, BNC has approximately 150 open application in various stages ready for the second round of funding that was recently approved by Congress. Loans held for sale as of March 31, 2020 were higher by $39.9 million when compared to December 31, 2019 due to higher mortgage loan funding in 2020. Investment securities decreased $41.9 million from year-end 2019, while cash and cash equivalent balances increased $54.5 million.

Total deposits increased $76.2 million to $896.7 million at March 31, 2020, from $820.5 million at December 31, 2019. In the first quarter 2020, we asserted our ability to bring back approximately $50 million of deposits previously moved off our balance sheet in the deleveraging activities of the fourth quarter of 2019. The return of these deposits and sale of investment securities has resulted in cash balances of $65.0 million after increasing loan balances $47.2 million at the end of the first quarter. We anticipate a portion of this cash may be used to fund PPP loans and mortgage loans held for sale as our mortgage banking business remains robust. Funded PPP loans will increase deposits until borrowers utilize loan proceeds.

The table below shows total deposits since 2016:

(In Thousands)	March 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
ND Bakken Branches	$ 191,490	$ 190,286	$ 185,713	$ 168,981	$ 178,677
ND Non-Bakken Branches	462,040	403,337	431,246	435,255	384,476
Total ND Branches	653,530	593,623	616,959	604,236	563,153
Other	243,202	226,924	231,646	213,570	189,474
Total Deposits	$ 896,732	$ 820,547	$ 848,605	$ 817,806	$ 752,627

At March 31, 2020, the balances of FHLB advances were $0, compared to $17.0 million at December 31, 2019.

As the first quarter of 2020 ended, BNC had a relatively liquid balance sheet. See a condensed summary of our balance sheet as of March 31, 2020 below:

ASSETS	
Cash and cash equivalents	$ 64,987
Debt securities available for sale	223,371
Loans held for sale-mortgage banking	177,015
Loans and leases held for investment	515,905
Allowance for credit losses	(8,414)
Other assets	69,956
Total assets	$ 1,042,820
LIABILITIES AND STOCKHOLDERS' EQUITY	
Deposits	896,732
Borrowings	20,225
Other liabilities	22,416
Total liabilities	939,373
Total stockholders' equity	103,447
Total liabilities and stockholders' equity	$ 1,042,820

Trust assets under management or administration decreased 13.6%, or $51.2 million, to $326.5 million at March 31, 2020 from $377.8 million at December 31, 2019. This decrease is due to volatility and declines in financial markets related to COVID-19 concerns, which may reduce wealth management revenues in future periods. Since January 1, 2016, assets under management or administration have increased by approximately $78.2 million, or 31.5%.

Asset Quality

The allowance for credit losses was $8.4 million at March 31, 2020, compared to $8.1 million at December 31, 2019. The allowance as a percentage of loans and leases held for investment at March 31, 2020 increased to 1.63% from 1.60% at December 31, 2019.

Nonperforming assets, consisting primarily of loans, were $3.2 million at March 31, 2020 and $2.0 million at December 31, 2019. The ratio of nonperforming assets to total assets was 0.31% at March 31, 2020 and 0.21% at December 31, 2019.

At March 31, 2020, BNC had $11.0 million of classified loans, $3.2 million of loans on non-accrual, and $5 thousand other real estate owned or repossessed assets. At December 31, 2019, BNC had $9.3 million of classified loans, $2.0 million of loans on non-accrual, and no other real estate owned or repossessed assets. BNC had $8.0 million of potentially problematic loans, which are risk rated “watch list”, at March 31, 2020, compared with $9.2 million as of December 31, 2019.

Although credit losses related to COVID-19 have yet to become clear, credit risk has increased since the beginning of 2020. We anticipate the provision for credit losses in future periods may be higher than in the recent past. The Current Expected Credit Losses (CECL) accounting standard will not be applicable to BNC until the first quarter of 2023.

To assist our borrowers, as of April 24, 2020, BNC has modified approximately $200 million of loans consistent with inter-agency guidance that allow our customers to defer payments for periods from 90 to 180 days. These loans were current at the time of modification and as a result, are not currently subject to troubled debt restructuring accounting standards. As the second quarter of 2020 commenced, the Small Business Administration (SBA) initiated the PPP. Under the PPP, BNC originates loans that are guaranteed by the SBA to provide funds to eligible businesses to assist the borrowers in continuing payroll, rent, and utility payments. While repayment of BNC's PPP loans is guaranteed by the SBA, our customers' debt can be forgiven by the SBA if the borrowed funds are used for purposes prescribed by the PPP. As of April 24, 2020, BNC had funded 516 PPP loans totaling $86.7 million. As a result of originating PPP loans, we anticipate interest income on loans will increase in future periods. In addition to the PPP, the SBA issued a procedural notice in April 2020 announcing it will pay principal and interest on certain SBA loans for a six-month period. BNC's net balance of SBA loans at March 31, 2020 was $24.2 million, or 4.7% of our loans and leases held for investment.

BNC's loans and leases held for investment are concentrated geographically in North Dakota and Arizona. North Dakota and Arizona loans make up 60% and 25% of the total loan portfolio, respectively. The North Dakota economy is influenced by the energy sector and agriculture. Late in the first quarter, oil prices collapsed largely due to global over-supply and reduced demand. An extended period of low energy prices will negatively impact credit quality in North Dakota. The Arizona economy is influenced by leisure and travel. Late in the first quarter, these activities diminished, primarily due to pandemic-related travel restrictions. An extended slowdown in these industries will 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 our significant concentrations by industry as of March 31, 2020:

Loans and Leases Held For Investment By Industry Sector
(In millions)

Non-owner Occupied Commercial Real estate – not otherwise categorized	$	139.4
Hotels		77.0
Consumer, not otherwise categorized		71.9
Healthcare and Social Assistance		38.6
Agriculture, Forestry, Fishing and Hunting		29.9
Non-Hotel Accommodation and Food Service		24.2
Transportation and Warehousing		23.9
Retail Trade		21.7
Mining, Oil and Gas Extraction		17.5
Construction Contractors		16.9
Manufacturing		13.1
Other Service		9.1
Art, Entertainment and Recreation		8.9
All Other		23.4
Total Loans Held For Investment	$	515.5

The COVID-19 pandemic has impacted all markets as the country shelters in place to contain the spread of the virus. While BNC's primary markets are not currently considered "hot spots", business closures are negatively impacting our commercial customers' ability to generate earnings while our consumer customers are increasingly subject to employment uncertainty.

The hospitality industry is experiencing unprecedented low hotel occupancy and restaurant utilization. The oil and gas industry is experiencing low oil prices due to COVID-19 related demand issues being further impacted by geo-political disagreements. These COVID-19 influenced economic conditions are expected to negatively impact various industry sectors.

The extent and timing of the pandemic is not determinable at this point. Prolonged periods of COVID-19 pandemic disruption of business production, consumer goods and services consumption and employment could have a material adverse impact on the Company's loan portfolio and operating results. The resulting impact on BNC and its customers will be significantly influenced by the success of currently enacted and future government support programs.

Capital

Banks and bank holding companies operate under separate regulatory capital requirements. At March 31, 2020, our capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

A summary of our capital ratios at March 31, 2020 and December 31, 2019 is presented below:

	March 31, 2020	December 31, 2019
BNCCORP, INC (Consolidated)		
Tier 1 leverage	11.73%	10.65%
Total risk based capital	16.72%	17.13%
Common equity tier 1 risk based capital	13.53%	13.76%
Tier 1 risk based capital	15.57%	15.95%
Tangible common equity	9.91%	9.95%
BNC National Bank		
Tier 1 leverage	10.87%	9.81%
Total risk based capital	15.56%	15.88%
Common equity tier 1 risk based capital	14.41%	14.69%
Tier 1 risk based capital	14.41%	14.69%

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

Because the PPP SBA loans are guaranteed by the SBA, they are assigned a zero risk-weighting in the determination of risk-based capital coverage and these loan assets will have no direct impact on risk based capital ratios. The PPP Lending Facility (PPPLF) was created by the FRB to facilitate lending by BNC, and other eligible financial institutions, to small businesses under the PPP. Under the PPPLF, BNC may borrow from the FRB on a non-recourse basis, pledging PPP loans as collateral. Interest payable on amounts borrowed under PPPLF is at a rate of 0.35%. Funding PPP loans using the PPPLF may allow BNC to neutralize the negative effect of PPP loans on leverage capital ratios.

Tangible book value per common share of the Company was $29.22 as of March 31, 2020, compared to $27.39 at December 31, 2019.

Interest Rate and Liquidity Risks

In March 2020, the Federal Reserve Bank (FRB) lowered the federal funds rate from a range of 1.50% - 1.75% to 0% - 0.25%. This resulted in broadly lower rates on assets and liabilities. While BNC's net interest income and net interest margin in the first quarter of 2020 are improved compared to the first quarter of 2019, the significant decreases in interest rates occurred relatively late in the first quarter. Accordingly, the full impact of lower rates is not reflected in the Company's 2020 first quarter results. BNC actively monitors interest rate risk via net interest income simulation.

As of the March 31, 2020 balance sheet, net interest income was simulated for the upcoming 12-month horizon for the five interest rate scenarios in the following table. Interest rate changes use a 12-month parallel "ramp" methodology. The "Unchanged" column in the simulation table below reflects interest rates as of March 31, 2020 and therefore reflects the forward estimated impact of the recent March 2020 federal funds 150 basis point reduction, as well as any other reductions in market rates on assets and liabilities, indices, and deposit rate changes to date in response to market conditions.

The net interest income simulation results for the 12-month horizon are shown below (dollars are in thousands):

Movement in interest rates	-100bp	Unchanged	+100bp	+200bp	+300bp
Projected 12-month net interest income	$ 30,395	$ 30,559	$ 30,527	$ 30,504	$ 30,491
Dollar change from unchanged scenario	$ (164)	-	$ (32)	$ (55)	$ (68)
Percent change from unchanged scenario	(0.54)%	-	(0.10)%	(0.18)%	(0.22)%

Since there are limitations inherent in any methodology used to estimate the exposure to changes in market interest rates, these analyses are not intended to be a forecast of the actual effect on the Company of changes in market interest rates, such as those indicated above. Further, these analyses are based on our assets and liabilities as of March 31, 2020 (without forward adjustments for increases or decreases in total assets) and do not contemplate any future actions we might undertake in response to changes in market interest rates.

The objective of our liquidity risk management processes is to meet present and future financial obligations in a timely manner. To achieve this objective, BNC attempts to maintain adequate liquid assets, liability diversification among instruments, maturities and customers, and access to both collateralized and uncollateralized wholesale sources of funds BNC has the ability to acquire quickly if necessary.

Our measurement of liquidity as of March 31, 2020 included the following sources:

- $56.4 million of cash held at the Federal Reserve
- $22.7 million of ICS One-Way Sell deposits available as a source of funds by converting to reciprocal deposits
- $145.8 million of unencumbered investment securities
- $139.1 million of available capacity for Federal Home Loan Bank advances based on current collateral pledged.

As part of BNC's ongoing liquidity risk management processes, we project cash flows over a 12-month horizon based on our assets and liabilities. We model sources and uses of funds for anticipated events as well as scenario analysis for possible stress events. In the current environment we anticipate an increase in mortgage loans held for sale could be a use of incremental liquidity should mortgage banking activity sustain at the level experienced during the first quarter of 2020. Payment deferrals for COVID-19 related loan modifications will reduce in the near-term, the principal and interest cash flows typically available from our existing loans held for investment as a source of funds. PPP loans will be a use of funds in the near term. BNC may borrow on a non-recourse secured basis under the FRB's PPPLF by pledging PPP loans as an additional source of low-cost liquidity if necessary. In addition, debt portfolio cash flows will provide a source of funds over the coming months if necessary.

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 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 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 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)

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BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended, March 31, 2020	December 31, 2019	March 31, 2019
SELECTED INCOME STATEMENT DATA			
Interest income	$ 9,002	$ 9,592	$ 9,128
Interest expense	1,578	2,163	2,173
Net interest income	7,424	7,429	6,955
Provision for credit losses	550	200	-
Non-interest income	10,794	5,634	4,502
Non-interest expense	12,007	11,029	9,682
Income before income taxes	5,661	1,834	1,775
Income tax expense	1,359	317	337
Net income	4,302	1,517	1,438
EARNINGS PER SHARE DATA			
Basic earnings per common share	$ 1.21	$ 0.43	$ 0.41
Diluted earnings per common share	$ 1.21	$ 0.43	$ 0.40

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share data)	For the Quarter Ended March 31, 2020	For the Quarter Ended December 31, 2019	For the Quarter Ended March 31, 2019
ANALYSIS OF NON-INTEREST INCOME			
Bank charges and service fees	$ 631	$ 652	$ 646
Wealth management revenues	441	429	443
Mortgage banking revenues	8,616	7,635	3,087
Gains on sales of loans, net	3	3	102
Gains (losses) on sales of debt securities, net	975	(3,316)	64
Other	128	231	160
Total non-interest income	$ 10,794	$ 5,634	$ 4,502
ANALYSIS OF NON-INTEREST EXPENSE			
Salaries and employee benefits	$ 6,311	$ 5,564	$ 5,118
Professional services	1,278	1,418	754
Data processing fees	1,124	1,127	1,039
Marketing and promotion	1,426	1,124	1,010
Occupancy	535	608	559
Regulatory costs	56	56	132
Depreciation and amortization	356	362	361
Office supplies and postage	134	126	136
Other real estate costs	-	2	-
Other	787	642	573
Total non-interest expense	$ 12,007	$ 11,029	$ 9,682
WEIGHTED AVERAGE SHARES			
Common shares outstanding (a)	3,558,702	3,536,277	3,518,390
Dilutive effect of share-based compensation	7,821	22,717	37,455
Adjusted weighted average shares (b)	3,566,523	3,558,994	3,555,845

(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, 2020	As of December 31, 2019	As of March 31, 2019
SELECTED BALANCE SHEET DATA			
Total assets	$ 1,042,820	$ 966,750	$ 1,000,884
Loans held for sale-mortgage banking	177,015	137,114	40,806
Loans and leases held for investment	515,905	508,569	464,683
Total loans	692,920	645,683	505,489
Allowance for credit losses	(8,414)	(8,141)	(7,677)
Debt securities available for sale	223,371	265,278	435,659
Earning assets	967,721	907,089	940,714
Total deposits	896,732	820,547	878,006
Core deposits (1)	901,951	825,112	880,893
Other borrowings	20,225	36,571	27,895
Cash and cash equivalents	64,987	10,523	13,618
OTHER SELECTED DATA			
Net unrealized gains (losses) in accumulated other comprehensive income (loss)	$ 4,115	$ 1,470	$ (2,815)
Trust assets under administration	$ 326,548	$ 377,782	$ 345,090
Total common stockholders' equity	$ 103,447	$ 96,278	$ 83,089
Tangible book value per common share (2)	$ 29.22	$ 27.39	$ 23.79
Tangible book value per common share excluding accumulated other comprehensive income (loss), net	$ 28.05	$ 26.97	$ 24.59
Full time equivalent employees	306	282	249
Common shares outstanding	3,540,650	3,514,770	3,493,298
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	13.53%	13.76%	14.44%
Tier 1 leverage (Consolidated)	11.73%	10.65%	10.08%
Tier 1 risk-based capital (Consolidated)	15.57%	15.95%	16.97%
Total risk-based capital (Consolidated)	16.72%	17.13%	19.90%
Tangible common equity (Consolidated)	9.91%	9.95%	8.29%
Common equity Tier 1 risk-based capital (Bank)	14.41%	14.69%	16.95%
Tier 1 leverage (Bank)	10.87%	9.81%	10.07%
Tier 1 risk-based capital (Bank)	14.41%	14.69%	16.95%
Total risk-based capital (Bank)	15.56%	15.88%	18.20%
Tangible common equity (Bank)	10.57%	10.65%	9.82%

(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)

(In thousands)	For the Quarter Ended March 31, 2020	2019
AVERAGE BALANCES		
Total assets	$ 970,835	$ 999,828
Loans held for sale-mortgage banking	122,745	22,892
Loans and leases held for investment	511,850	466,377
Total loans	634,595	489,269
Debt securities available for sale	251,069	425,802
Earning assets	909,993	942,808
Total deposits	831,988	879,694
Core deposits	837,150	888,108
Total equity	101,251	78,724
Cash and cash equivalents	37,567	42,157
KEY RATIOS		
Return on average common stockholders' equity (a)	17.59%	6.84%
Return on average assets (b)	1.78%	0.58%
Net interest margin	3.28%	2.99%
Efficiency ratio (Consolidated)	65.91%	84.50%
Efficiency ratio (Bank)	63.51%	80.65%

(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)

(In thousands)	As of March 31, 2020	As of December 31, 2019	As of March 31, 2019
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ -	$ -	$ 267
Non-accrual loans	3,212	2,033	1,888
Total nonperforming loans	$ 3,212	$ 2,033	$ 2,155
Repossessed assets, net	5	-	5
Total nonperforming assets	$ 3,217	$ 2,033	$ 2,160
Allowance for credit losses	$ 8,414	$ 8,141	$ 7,677
Troubled debt restructured loans	$ 2,960	$ 3,245	$ 3,330
Ratio of total nonperforming loans to total loans	0.46%	0.31%	0.43%
Ratio of total nonperforming assets to total assets	0.31%	0.21%	0.22%
Ratio of nonperforming loans to total assets	0.31%	0.21%	0.22%
Ratio of allowance for credit losses to loans and leases held for investment	1.63%	1.60%	1.65%
Ratio of allowance for credit losses to total loans	1.21%	1.26%	1.52%
Ratio of allowance for credit losses to nonperforming loans	262%	400%	356%

(In thousands)	For the Quarter Ended March 31, 2020	For the Quarter Ended March 31, 2019
Changes in Nonperforming Loans:		
Balance, beginning of period	$ 2,033	$ 1,686
Additions to nonperforming	1,231	537
Charge-offs	(10)	(12)
Reclassified back to performing	-	-
Principal payments received	(37)	(51)
Transferred to repossessed assets	(5)	(5)
Balance, end of period	$ 3,212	$ 2,155

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended March 31, 2020	For the Quarter Ended March 31, 2019
Changes in Allowance for Credit Losses:		
Balance, beginning of period	$ 8,141	$ 7,692
Provision	550	-
Loans charged off	(288)	(22)
Loan recoveries	11	7
Balance, end of period	$ 8,414	$ 7,677
Ratio of net charge-offs to average total loans	(0.044)%	(0.003)%
Ratio of net charge-offs to average total loans, annualized	(0.175)%	(0.012)%

(In thousands)	As of March 31, 2020	As of December 31, 2019	As of March 31, 2019
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 51,644	$ 51,483	$ 44,138
Construction	1,398	897	3,042
Agricultural	29,368	29,909	26,415
Land and land development	6,232	6,373	7,695
Owner-occupied commercial real estate	38,649	38,127	37,825
Commercial real estate	104,593	106,835	109,733
Small business administration	6,298	4,737	5,551
Consumer	69,137	68,248	62,326
Subtotal loans held for investment	$ 307,319	$ 306,609	$ 296,725
Consolidated			
Commercial and industrial	$ 80,959	$ 77,706	$ 67,808
Construction	15,293	12,656	19,282
Agricultural	29,299	29,914	26,738
Land and land development	13,537	10,449	12,437
Owner-occupied commercial real estate	57,539	54,972	54,228
Commercial real estate	187,823	193,203	172,415
Small business administration	48,049	46,799	33,573
Consumer	83,012	82,498	77,716
Total loans held for investment	$ 515,511	$ 508,197	$ 464,197