NEWS RELEASE

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BNCCORP, INC. REPORTS THIRD QUARTER NET INCOME OF $2.1 MILLION, OR $0.58 PER DILUTED SHARE

2017 Third Quarter Highlights

- **Net income in the 2017 third quarter was $2.1 million, a decrease of $206 thousand compared to the third quarter of 2016**
- **Net interest income increased $625 thousand, or 9.4%, compared to the third quarter of 2016**
- **Non-interest expense decreased by $1.1 million, or 10.7%, compared to the third quarter of 2016**
- **Non-interest income decreased by $2.6 million due to lower mortgage banking revenues**
- **Total assets rose $55.8 million and total deposits increased $84.4 million since year-end 2016**
- **Loans held for investment increased $14.1 million from year-end 2016**
- **Non-performing assets were 0.21% of total assets as of September 30, 2017**
- **Book value per share increased $1.69, or 7.9%, to $23.16 at September 30, 2017, compared to $21.47 at December 31, 2016**

BISMARCK, ND, October 27, 2017 – 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 third quarter ended September 30, 2017.

Net income in the third quarter of 2017 was $2.053 million, a decrease of $206 thousand versus $2.259 million in the same period of 2016. Third quarter 2017 diluted earnings per share was $0.58, compared to $0.64 in the third quarter of 2016. The comparison between the third quarters of 2017 and 2016 mainly reflect higher net interest income and lower non-interest expenses, offset by lower non-interest income largely due to lower mortgage banking revenues.

Net interest income in the 2017 third quarter increased by $625 thousand, or 9.4%, from the same quarter in 2016, due primarily to the growth of loans held for investment and higher yields and balances on investment securities.

Non-interest income in the third quarter of 2017 decreased by $2.579 million, or 33.2%, from the same period in 2016, primarily due to lower mortgage banking revenues.

Non-interest expense in the third quarter of 2017 decreased $1.142 million, or 10.7%, compared to the third quarter of the prior year due to decreases in costs related to salaries and employee benefits, professional services, and marketing and promotions.

The provision for credit losses was $100 thousand in the third quarter of 2017 and $400 thousand in the third quarter of 2016. The ratio of nonperforming assets to total assets decreased to 0.21% at September 30, 2017, from 0.29% at December 31, 2016. The allowance for loan losses was 1.83% of loans held for investment at September 30, 2017, compared to 2.00% at December 31, 2016.

Book value per common share at September 30, 2017 rose to $23.16, from $21.47 at December 31, 2016 and $22.51 at September 30, 2016. Excluding accumulated other comprehensive income, book value per common share at September 30, 2017 was $22.27, compared to $20.98 at December 31, 2016 and $20.49 at September 30, 2016.

Management Comments

Timothy J. Franz, BNC President and Chief Executive Officer, said, “The third quarter was our best quarter in 2017. All parts of our business are improved since earlier in the year, driven by a continued focus on profitable growth and good control over expenses and asset quality. Net interest income was 9.4% better than the same quarter in 2016 reflecting continued growth of loans and investments, along with higher yields. The 10.7% decrease in non-interest expenses resulted from our work to control costs throughout BNC, particularly in mortgage banking which is operating in an environment quite different from a year ago. Importantly, our credit quality metrics remain very good."

Mr. Franz continued, "We announced a branch sale in the third quarter and anticipate the transaction will close in the fourth quarter resulting in a gain on sale. Our book value per share has increased by 7.9% since the beginning of the year and we will continue working to increase shareholder value.

Third Quarter 2017 Comparison to Third Quarter 2016

Net interest income for the third quarter of 2017 was $7.257 million, an increase of $625 thousand, or 9.4%, from $6.632 million in the same period of 2016. Overall, the net interest margin increased to 3.08% in the third quarter of 2017 from 3.05% in the third quarter of 2016.

Interest income increased by $811 thousand, or 10.9%, to $8.219 million, for the quarter ended September 30, 2017, compared to $7.408 million in the third quarter of 2016. This increase is the result of higher yields and average balances of taxable investments, loans held for investment, and funds held at the Federal Reserve resulting from successful deposit generation. The average balance of interest earning assets increased by $70.8 million. The average balance of loans held for investment increased by $22.0 million, resulting in $318 thousand more interest income. The average balance of investment securities increased by $44.9 million, resulting in $594 thousand more interest income. These increases were partially offset by the $25.4 million decrease in the average balances of mortgage loans held for sale. The $30.4 million increase in the average balance of interest bearing cash balances yielded 1.26% and earned $100 thousand in the third quarter 2017. The yield on average interest earning assets increased to 3.46% in the third quarter of 2017 from 3.41% in the third quarter of 2016 as yields rose in all asset classes.

Interest expense in the third quarter of 2017 was $962 thousand, an increase of $186 thousand from the same period in 2016 due to increased average deposit balances, partially offset by lower borrowings. Average interest bearing deposit balances increased $106.3 million while the average balance of FHLB short-term advances decreased $45.9 million. The cost of total interest bearing liabilities increased to 0.51% in the current quarter compared to 0.45% in the same period of 2016. The cost of core deposits in the third quarters of 2017 and 2016 was 0.32% and 0.24%, respectively. The higher cost of funds is a result of higher balances and rates of money market accounts and consumer certificates of deposits.

Provision for credit losses was $100 thousand in the third quarter of 2017 and $400 thousand in the third quarter of 2016.

Non-interest income in the third quarter of 2017 was $5.180 million, a decrease of $2.579 million, or 33.2%, from $7.759 million in the third quarter of 2016. Mortgage banking revenues were $3.062 million in the third quarter of 2017, compared to $6.163 million in the third quarter of 2016, as higher interest rates had a dampening effect on mortgage demand. During the third quarter 2017, slightly higher margins and cost reductions improved the results of mortgage banking operations. Gains on sales of loans and investment securities aggregated $876 thousand in the third quarter 2017, compared to $302 thousand in the prior year third quarter, as these revenues can vary significantly from period to period.

Non-interest expense decreased $1.142 million, or 10.7%, to $9.576 million in the third quarter of 2017, from $10.718 million in the third quarter of 2016. Salaries and employee benefits decreased $585 thousand from the third quarter 2016. The number of full time equivalent employees ("FTEs") at September 30, 2017 was 263, down by 28 FTE's, or 9.6%, since December 31, 2016. Employee headcount decreased by 43, or 14%, since December 31, 2016; headcount decreased by 6 during the third quarter of 2017. Much of the headcount decrease related to mortgage support staff as the business is being right-sized to fit current revenues. Professional services in the third quarter of 2017 were down $276 thousand, or 22.3%, primarily due to reduced mortgage banking activities and legal expenses. Marketing costs decreased $145 thousand or 15.7% quarter to quarter.

In the third quarter of 2017, income tax expense was $708 thousand, compared to $1.014 million in the third quarter of 2016. The effective tax rate was 25.6% in the third quarter of 2017, compared to 31.0% in the same period of 2016. The decrease in the effective tax rate is primarily due to a higher percentage of pretax income from tax-exempt securities as compared to the prior year third quarter.

Net income was $2.053 million, or $0.58 per diluted share, in the third quarter of 2017. Net income in the third quarter of 2016 was $2.259 million, or $0.64 per diluted share.

Nine Months Ended 2017 Comparison to Nine Months Ended 2016

Net interest income in the first nine months of 2017 was $20.829 million, an increase of $1.439 million, or 7.4%, from $19.390 million in the same period of 2016. Overall, the net interest margin increased to 3.04% in the first nine months of 2017 from 3.02% in the first nine months of 2016.

Interest income increased by $1.505 million, or 6.9%, to $23.434 million, in the nine-month period ended September 30, 2017, compared to $21.929 million in the nine-month period ended September 30, 2016. This increase is the result of higher yields on taxable investments, higher average balances of loans held for investment, and increased funds held at the Federal Reserve. The yield on average interest earning assets decreased to 3.41% in the nine-month period ended September 30, 2017 compared to 3.42% in the same period of 2016 due to the higher proportion of earning assets being held at the Federal Reserve compared to the prior year. The average balance of interest earning assets increased by $59.0 million. The average balance of loans held for investment increased by $22.6 million, yielding $693 thousand of additional interest income, while the average balance of mortgage loans held for sale was $19.9 million lower than the same period of 2016. The average balance of investment securities was $14.3 million higher in the first nine months of 2017 compared to the first nine months of 2016. The average balance of cash held at the Federal Reserve increased by $42.8 million when comparing the two periods, and yielded an additional $350 thousand during the first nine months of 2017.

Interest expense in the first nine months of 2017 was $2.605 million, an increase of $66 thousand from the same period in 2016. The cost of interest bearing liabilities decreased to 0.48% in the first nine months of 2017 compared to 0.50% in the same period of 2016. In the first nine months of 2016, the Company redeemed the remaining balances of outstanding brokered certificates of deposit; resulting in brokered certificate of deposit interest expense of $477 thousand during the first nine months of 2016 that did not recur in 2017. Interest expense increased in other categories of deposits, driven largely by increased volume and cost of consumer certificates of deposit and money market accounts. The cost of core deposits in the first 9 months of 2017 and 2016 was 0.28% and 0.22%, respectively. Due to lower mortgage loan funding levels and increased deposit balances in the first nine months of 2017, the Company's FHLB short-term advances outstanding averaged $2.5 million compared to $35.8 million in the first nine months of 2016.

Provision for credit losses was $250 thousand in the first nine months of 2017 and $800 thousand in the first nine months of 2016.

Non-interest income for the first nine months of 2017 was $15.084 million, a decrease of $5.821 million, or 27.8%, from $20.905 million in the first nine months of 2016. Mortgage banking revenues were $8.638 million in the first nine months of 2017, compared to $15.892 million in the first nine months of 2016, a decrease of $7.254 million, or 45.6%. During 2016, we experienced higher loan volume, as interest rates were generally lower. Mortgage banking revenues have been lower in 2017 as rates moved higher, dampening demand and compressing margins. While margins improved in the third quarter, our margins and volumes remain subdued compared to 2016. Mortgage banking revenues tend to decline in the fourth quarter due to seasonally related matters. Gains on sales of loans and investment securities aggregated $1.935 million in the first nine months of 2017, compared to $962 thousand in the first nine months of the prior year impacted by increased SBA loan production and the timing of sales of investment securities. Gains on sale of assets can vary significantly from period to period.

Non-interest expense for the first nine months of 2017 decreased $1.627 million, or 5.2%, to $29.565 million, from $31.192 million in the first nine months of 2016. Salaries and employee benefits decreased $997 thousand from the first nine months of 2016 due to lower staffing levels as noted above. Professional services decreased compared to the first nine months of 2016 by approximately $331 thousand, or 9.6%, primarily due reduce mortgage banking volumes while marketing and promotion expenses are down $264 thousand, or 9.3%.

During the nine-month period ended September 30, 2017, income tax expense was $1.549 million, compared to $2.594 million in the first nine months of 2016. The effective tax rate was 25.4% in the first nine months of 2017, compared to 31.2% in the same period of 2016. The decrease is primarily due to a higher percentage of pretax income from tax-exempt securities.

Net income was $4.549 million, or $1.28 per diluted share, for the nine months ended September 30, 2017. Net income in the first nine months of 2016 was $5.709 million, or $1.62 per diluted share.

Assets, Liabilities and Equity

Total assets were $966.2 million at September 30, 2017, an increase of $55.8 million, or 6.1%, compared to $910.4 million at December 31, 2016. Loans held for investment aggregated $428.8 million at September 30, 2017, an increase of $14.1 million, or 3.4%, since December 31, 2016. Loans held for investment in North Dakota are experiencing notable prepayments as our borrowers with excess liquidity are deleveraging. Loans held for sale as of September 30, 2017 were down $7.6 million from December 31, 2016 due to reduced mortgage banking volume. Investment balances increased $50.0 million from year-end 2016 as we deployed funds related to higher deposits.

Total deposits were $837.0 million at September 30, 2017, compared to $752.6 million at December 31, 2016. Core deposits, which include recurring customer repurchase agreement balances, have increased by $87.9 million, or 11.5%, to $853.1 million at September 30, 2017 from $765.1 million as of December 31, 2016. The growth in deposits during 2017 has notably improved the results of operations and created value for shareholders. Core deposit growth in the non-Bakken North Dakota branches was $57.7 million, or 15.0%, since December 31, 2016, and a significant portion of this growth was predominantly the result of significant cash generating transactions by our customers during the first quarter of 2017. During the third quarter, core deposits decreased by $38.1 million; we converted more than $20 million of deposits to wealth management assets under management and customers have begun to redeploy deposits made earlier in 2017. In 2016, BNC generally utilized Federal Home Loan Bank short-term advances as flexible borrowings. In early 2017, such advances were paid down as deposits increased.

The table below shows total deposits since 2013:

(In Thousands)	September 30, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
ND Bakken Branches	$ 179,164	$ 178,677	$ 190,670	$ 178,565	$ 166,904
ND Non-Bakken Branches	442,196	384,476	388,630	433,129	382,225
Total ND Branches	621,360	563,153	579,300	611,694	549,129
Brokered Deposits	-	-	33,363	53,955	64,525
Other	215,675	189,474	167,786	145,582	109,575
Total Deposits	$ 837,035	$ 752,627	$ 780,449	$ 811,231	$ 723,229

Trust assets under management or administration increased 15.5%, or $42.3 million, to $314.4 million at September 30, 2017, compared to $272.1 million at September 30, 2016. During the third quarter assets under management increased by $28.8 million as we have been able to convert commercial deposits to wealth management customers.

Capital

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

At September 30, 2017, our capital ratios exceeded all regulatory capital thresholds, including thresholds that incorporate fully phased-in conservation buffers.

Due to significant deposit growth and a related increase in funds held at the Federal Reserve, our Tier 1 leverage ratios and tangible common equity decreased since the beginning of the year. Risk based capital ratios did not experience similar decreases as funds held at the Federal Reserve are assigned a zero percent risk weighting in determining risk-weighted assets. A summary of our capital ratios at September 30, 2017 and December 31, 2016 is presented below:

	September 30, 2017	December 31, 2016
BNCCORP, INC (Consolidated)		
Tier 1 leverage	9.27%	9.47%
Total risk based capital	20.08%	19.96%
Common equity tier 1 risk based capital	14.21%	13.90%
Tier 1 risk based capital	16.98%	16.78%
Tangible common equity	8.28%	8.13%
BNC National Bank		
Tier 1 leverage	9.53%	9.67%
Total risk based capital	18.72%	18.41%
Common equity tier 1 risk based capital	17.47%	17.16%
Tier 1 risk based capital	17.47%	17.16%

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.

In addition to regulatory risk based capital standards, we believe that regulators and investors also monitor the capital ratio of tangible common equity to total period end assets. As this ratio is based on total period end assets, it has decreased from prior periods due the significant deposit growth.

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 $23.16 as of September 30, 2017, compared to $21.47

at December 31, 2016. Book value per common share, excluding accumulated other comprehensive income, was $22.27 as of September 30, 2017, compared to $20.98 at December 31, 2016.

Asset Quality

The allowance for credit losses was $7.8 million at September 30, 2017, compared to $8.3 million at December 31, 2016. The allowance for credit losses as a percentage of total loans at September 30, 2017 was 1.70%, compared to 1.82% at December 31, 2016. The allowance as a percentage of loans and leases held for investment at September 30, 2017 was 1.83%, and at December 31, 2016 was 2.00%.

Nonperforming assets were $2.1 million at September 30, 2017, down from $2.7 million at December 31, 2016. The ratio of nonperforming assets to total assets was 0.21% at September 30, 2017 and 0.29% at December 31, 2016. Nonperforming loans were $2.1 million at September 30, 2017, down from $2.4 million at December 31, 2016.

At September 30, 2017, BNC had $11.3 million of classified loans, $2.1 million of loans on non-accrual, no other real estate owned, and $13 thousand of repossessed assets. At December 31, 2016, BNC had $12.9 million of classified loans, $2.4 million of loans on non-accrual, $214 thousand of other real estate owned, and $4 thousand of repossessed assets. BNC had $8.6 million of potentially problematic loans, which are risk rated "watch list", at September 30, 2017, compared with $8.1 million as of December 31, 2016.

The economic activity in western North Dakota continues to be affected by challenging conditions in the agricultural and energy industries. In particular, the areas near Dickinson, Williston and Minot are believed to be more adversely affected by the economic conditions than other areas of North Dakota. Prolonged periods of lower agricultural and energy prices as well as more recent drought conditions in the region could have an adverse economic impact on the North Dakota economy, commodity dependent businesses, and 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 17 locations. BNC also conducts mortgage banking from 14 offices 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 U.S. generally accepted accounting principles ("GAAP"). Such non-GAAP financial measures include the Company’s tangible equity to assets ratio and information presented excluding nonrecurring transactions. These non-GAAP financial measures have been included as the Company believes they are helpful for investors to analyze and evaluate the Company’s financial condition.

(Financial tables attached)

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BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended September 30, 2017	For the Quarter Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
SELECTED INCOME STATEMENT DATA				
Interest income	$ 8,219	$ 7,408	$ 23,434	$ 21,929
Interest expense	962	776	2,605	2,539
Net interest income	7,257	6,632	20,829	19,390
Provision for credit losses	100	400	250	800
Non-interest income	5,180	7,759	15,084	20,905
Non-interest expense	9,576	10,718	29,565	31,192
Income before income taxes	2,761	3,273	6,098	8,303
Income tax expense	708	1,014	1,549	2,594
Net income	$ 2,053	$ 2,259	$ 4,549	$ 5,709
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.59	$ 0.65	$ 1.31	$ 1.66
Diluted earnings per common share	$ 0.58	$ 0.64	$ 1.28	$ 1.62

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended September 30, 2017	For the Quarter Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 677	$ 700	$ 2,036	$ 2,063
Wealth management revenues	424	373	1,296	1,156
Mortgage banking revenues	3,062	6,163	8,638	15,892
Gains on sales of loans, net	83	10	695	233
Gains on sales of investments, net	793	292	1,240	729
Other	141	221	1,179	832
Total non-interest income	$ 5,180	$ 7,759	$ 15,084	$ 20,905
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 5,034	$ 5,619	$ 15,403	$ 16,400
Professional services	960	1,236	3,129	3,460
Data processing fees	920	932	2,790	2,739
Marketing and promotion	779	924	2,562	2,826
Occupancy	593	551	1,787	1,620
Regulatory costs	136	168	399	502
Depreciation and amortization	406	397	1,215	1,118
Office supplies and postage	155	164	482	513
Other real estate costs	-	-	(21)	22
Other	593	727	1,819	1,992
Total non-interest expense	$ 9,576	$ 10,718	$ 29,565	$ 31,192
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,477,916	3,453,949	3,473,347	3,445,500
Incremental shares from assumed conversion of options and contingent shares	65,073	75,330	67,052	74,911
Adjusted weighted average shares (b)	3,542,989	3,529,279	3,540,399	3,520,411

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share, per share and full time equivalent data)	As of September 30, 2017	As of December 31, 2016	As of September 30, 2016
SELECTED BALANCE SHEET DATA			
Total assets	$ 966,186	$ 910,400	$ 942,593
Loans held for sale-mortgage banking	32,068	39,641	63,614
Loans and leases held for investment	428,793	414,673	413,151
Total loans	460,861	454,314	476,765
Allowance for credit losses	(7,847)	(8,285)	(8,684)
Investment securities available for sale	450,126	400,136	409,719
Other real estate, net and repossessed assets	13	218	225
Earning assets	908,131	851,564	884,662
Total deposits	837,035	752,627	755,364
Core deposits (1)	853,079	765,138	770,592
Other borrowings	41,056	75,523	98,241
Cash and cash equivalents	12,385	11,113	11,265
OTHER SELECTED DATA			
Net unrealized gains in accumulated other comprehensive income	$ 3,092	$ 1,683	$ 6,996
Trust assets under supervision	$ 314,423	$ 273,643	$ 272,115
Total common stockholders' equity	$ 80,218	$ 74,195	$ 77,843
Book value per common share	$ 23.16	$ 21.47	$ 22.51
Book value per common share excluding accumulated other comprehensive income, net	$ 22.27	$ 20.98	$ 20.49
Full time equivalent employees	263	291	305
Common shares outstanding	3,463,192	3,456,008	3,458,261
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	14.21%	13.90%	13.28%
Tier 1 leverage (Consolidated)	9.27%	9.47%	9.30%
Tier 1 risk-based capital (Consolidated)	16.98%	16.78%	16.10%
Total risk-based capital (Consolidated)	20.08%	19.96%	19.24%
Tangible common equity (Consolidated)	8.28%	8.13%	8.24%
Common equity Tier 1 risk-based capital (Bank)	17.47%	17.16%	16.90%
Tier 1 leverage (Bank)	9.53%	9.67%	9.76%
Tier 1 risk-based capital (Bank)	17.47%	17.16%	16.90%
Total risk-based capital (Bank)	18.72%	18.41%	18.16%
Tangible common equity (Bank)	10.15%	10.04%	10.33%

(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 September 30, 2017	For the Quarter Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
AVERAGE BALANCES				
Total assets	$ 991,788	$ 921,701	$ 971,728	$ 911,116
Loans held for sale-mortgage banking	29,538	54,949	27,499	47,406
Loans and leases held for investment	426,740	404,783	418,889	396,245
Total loans	456,278	459,732	446,388	443,651
Investment securities available for sale	453,269	408,410	429,167	414,838
Earning assets	936,245	865,407	915,492	856,478
Total deposits	864,965	748,600	846,741	752,586
Core deposits	879,327	757,868	860,076	750,212
Total equity	80,418	78,155	77,475	74,959
Cash and cash equivalents	40,647	10,247	53,689	11,024
KEY RATIOS				
Return on average common stockholders' equity (a)	10.64%	12.75%	8.15%	11.20%
Return on average assets (b)	0.82%	0.97%	0.63%	0.84%
Net interest margin	3.08%	3.05%	3.04%	3.02%
Efficiency ratio	77.00%	74.48%	82.32%	77.41%
Efficiency ratio (BNC National Bank)	74.34%	71.10%	79.22%	74.03%

(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) as the denominator.
(b) Return on average assets is calculated by using net income as the numerator and average total assets as the denominator.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of September 30, 2017	As of December 31, 2016	As of September 30, 2016
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ -	$ 20	$ 2
Non-accrual loans	2,058	2,425	1,906
Total nonperforming loans	$ 2,058	$ 2,445	$ 1,908
Other real estate, net and repossessed assets	13	218	225
Total nonperforming assets	$ 2,071	$ 2,663	$ 2,133
Allowance for credit losses	$ 7,847	$ 8,285	$ 8,684
Troubled debt restructured loans	$ 1,920	$ 2,038	$ 2,054
Ratio of total nonperforming loans to total loans	0.45%	0.54%	0.40%
Ratio of total nonperforming assets to total assets	0.21%	0.29%	0.23%
Ratio of nonperforming loans to total assets	0.21%	0.27%	0.20%
Ratio of allowance for credit losses to loans and leases held for investment	1.83%	2.00%	2.10%
Ratio of allowance for credit losses to total loans	1.70%	1.82%	1.82%
Ratio of allowance for credit losses to nonperforming loans	381%	339%	455%

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	2017	2016	2017	2016
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 2,142	$ 2,341	$ 2,445	$ 565
Additions to nonperforming	129	24	845	2,159
Charge-offs	(163)	(437)	(699)	(532)
Reclassified back to performing	-	-	-	(175)
Principal payments received	(50)	(20)	(493)	(109)
Transferred to other real estate owned	-	-	(40)	-
Balance, end of period	$ 2,058	$ 1,908	$ 2,058	$ 1,908

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended September 30, 2017	For the Quarter Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 7,898	$ 8,725	$ 8,285	$ 8,611
Provision	100	400	250	800
Loans charged off	(178)	(453)	(768)	(766)
Loan recoveries	27	12	80	39
Balance, end of period	$ 7,847	$ 8,684	$ 7,847	$ 8,684
Ratio of net charge-offs to average total loans	(0.033)%	(0.096)%	(0.154)%	(0.164)%
Ratio of net charge-offs to average total loans, annualized	(0.132)%	(0.384)%	(0.206)%	(0.218)%

(In thousands)	For the Quarter Ended September 30, 2017	For the Quarter Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
Changes in Other Real Estate:				
Balance, beginning of period	$ -	$ 225	$ 214	$ 242
Transfers from nonperforming loans	-	-	40	-
Real estate sold	-	-	(264)	(4)
Net gains on sale of assets	-	-	-	4
Reduction (Provision)	-	-	10	(17)
Balance, end of period	$ -	$ 225	$ -	$ 225

(In thousands)	As of September 30, 2017	As of December 31, 2016	As of September 30, 2016
Other Real Estate:			
Other real estate	$ -	$ 954	$ 954
Valuation allowance	-	(729)	(729)
Other real estate, net	$ -	$ 225	$ 225

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of September 30, 2017	 December 31, 2016	 September 30, 2016
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 37,421	$ 41,769	$ 40,701
Construction	4,686	6,819	8,452
Agricultural	25,232	19,351	20,075
Land and land development	9,043	9,674	9,859
Owner-occupied commercial real estate	41,433	45,350	41,848
Commercial real estate	110,221	100,975	101,061
Small business administration	4,879	4,512	5,197
Consumer	55,094	44,267	43,731
Subtotal loans held for investment	$ 288,009	$ 272,717	$ 270,924
Consolidated			
Commercial and industrial	$ 52,083	$ 54,037	$ 53,818
Construction	11,054	12,215	12,228
Agricultural	25,932	20,273	20,546
Land and land development	15,621	15,982	15,776
Owner-occupied commercial real estate	47,868	49,294	50,369
Commercial real estate	178,884	171,972	172,722
Small business administration	26,012	31,518	29,802
Consumer	70,897	59,183	57,708
Total loans held for investment	$ 428,351	$ 414,474	$ 412,969