



BNCCORP

NEWS RELEASE

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BNC NATIONAL BANK ANNOUNCES AGREEMENT TO SELL CERTAIN DEPOSITS AND ASSETS IN ARIZONA AND MINNESOTA

BISMARCK, N.D., November 19, 2010 – BNCCORP, INC. (BNC) (Pink Sheets: BNCC) today announced that it has entered into a definitive agreement with Alerus Financial Corp. of Grand Forks, North Dakota, whereby Alerus will purchase certain deposits and selected assets in the Arizona and Minnesota markets from the Company's BNC National Bank subsidiary. The purchase is subject to customary regulatory approvals and is expected to be completed in the first quarter of 2011. Terms of the transaction were not disclosed.

In Arizona, BNC has agreed to sell its Scottsdale branch premises, certain Arizona based deposit accounts and loans to Alerus. After the sale, BNC will continue to operate its branch in Glendale and a mortgage banking location in Scottsdale. In Minnesota, Alerus has agreed to purchase certain deposit accounts and loans of BNC's Minneapolis and Golden Valley offices, although BNC will continue to operate the physical office locations.

BNC National Bank will continue to offer a full range of banking services in the Arizona and Minnesota markets following the sale of the selected deposits and assets. Its lending operations in both markets will continue to offer business and consumer loans including SBA, commercial real estate, and other loans. BNC branches will also provide mortgage banking services, wealth management services, depository lock box services, business and personal deposit and checking accounts and a comprehensive portfolio of other financial solutions.

The transaction has no effect on BNC's operations in the North Dakota market or any of its mortgage banking locations.

"This transaction positions BNC strongly for the future," said Gregory K. Cleveland, BNCCORP President and Chief Executive Officer. "Given the continuing uncertain economy and a regulatory climate that favors higher levels of capital, we believe it is prudent and appropriate to manage our balance sheet in a way that enables us to significantly enhance our capital ratios. The sale of certain deposits and assets to Alerus will go a long way toward achieving that goal. At the same time, this does not preclude BNC from continuing to offer services in Arizona and Minnesota, and to participate in the opportunities in those markets. Along with our improving credit trends and focus on maintaining ample liquidity, our strengthened capital base is a key element in BNC's plans to compete and thrive in a challenging business environment."

BNC was advised by Sandler O'Neill & Partners, L.P. on this transaction.

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 Arizona, Minnesota and North Dakota from 18 locations. BNC also conducts mortgage banking from 10 locations in Iowa, Kansas, Nebraska, Missouri, Minnesota and Arizona.

This news release may contain "forward-looking statements" within the meaning 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", or other expressions. We caution readers that these forward-looking statements, including, without limitation, those relating to our future business prospects, revenues, working capital,

liquidity, capital needs, interest costs and income, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements due to several important factors. These factors include, but are not limited to: 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 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.

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