NEWS RELEASE

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BNCCORP, INC. REPORTS 2016 FOURTH QUARTER NET INCOME TO COMMON SHAREHOLDERS OF $1.4 MILLION, OR $0.41 PER DILUTED SHARE

2016 Highlights

- **Full year net income to common shareholders was $7.2 million, or $2.03 per diluted share**
- **Total assets at 2016 year-end were $910.4 million**
- **Loans held for investment increased $34.7 million, or 9.1%, to $414.6 million at December 31, 2016**
- **Deposits were $752.6 million at 2016 year-end**
- **Provision for credit losses was $0 in the fourth quarter and $800 thousand for the full year 2016**
- **Non-performing assets were 0.29% of total assets at year-end 2016**
- **Book value per common share at December 31, 2016 rose to $21.47 from $20.12 at December 31, 2015**

BISMARCK, ND, January 30, 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 fourth quarter and year ended December 31, 2016.

Net income available to common shareholders in the 2016 fourth quarter was $1.447 million, a decrease of $151 thousand versus $1.598 million in the same period of 2015. Fourth quarter 2016 diluted earnings per share were $0.41, compared to $0.46 in the fourth quarter of 2015. The comparison between the fourth quarters of 2016 and 2015 mainly reflected increased net interest income, decreased non-interest income largely due to lower revenue on sales of loans and Small Business Investment Company (SBIC) revenue, and higher non-interest expense primarily related to mortgage banking growth, legal costs, and investments in technology.

Net interest income in the 2016 fourth quarter increased by $396 thousand, or 6.4%, from the same quarter in 2015, due to the growth of loans held for investment, higher yields on earning assets, and improved net interest margin.

Non-interest income in the fourth quarter of 2016 decreased by $455 thousand, or 8.5%, from the same period in 2015, as higher mortgage banking revenues were offset by lower gains on sales of loans and SBIC revenues, both of which can vary significantly from period to period.

Non-interest expense increased by $761 thousand, or 8.2%, in the fourth quarter of 2016 compared to the prior year period, due to higher mortgage volume related costs, investments in technology, which improved services to customers, and continued investment in talent to support future revenue growth.

The provision for credit losses was $0 in the fourth quarters of 2016 and 2015. The ratio of nonperforming assets to total assets was 0.29% at December 31, 2016, compared to 0.09% at December 31, 2015. The allowance for loan losses was 2.00% of loans held for investment at December 31, 2016, compared to 2.27% at December 31, 2015.

Book value per common share at December 31, 2016 rose to $21.47 from $20.12 at December 31, 2015. Excluding accumulated other comprehensive income, book value per common share at December 31, 2016 was $20.98 compared to $18.93 at December 31, 2015. Since year-end 2010, book value per common share has increased $16.38, or 321.8%, equating to a 27% annual compounded rate of growth.

Management Comments

Timothy J. Franz, BNC President and Chief Executive Officer, said, “In a challenging year for the national economy and our region, BNC exhibited profitability, capital strength and asset quality. Our net interest income continued to improve and credit losses remained low in the fourth quarter of a year during which BNC's longer term shareholders were significantly rewarded."

Mr. Franz continued, "In 2016 we continued to improve our core banking by growing loans held for investment by approximately 9% while maintaining exceptional credit quality metrics. The growth in loans and credit quality successes were achieved despite the challenging economic conditions in western North Dakota. We captured value with our mortgage banking operations and continued to fortify our balance sheet by growing capital. We are pleased to see our shareholder value increase as a result of our performance in recent years and look forward to continued success."

Fourth Quarter Results

Net interest income for the fourth quarter of 2016 was $6.613 million, an increase of $396 thousand, or 6.4%, from $6.217 million in the same period of 2015. Overall, the net interest margin increased to 3.04% in the fourth quarter of 2016 from 2.96% in the fourth quarter of 2015.

Interest income increased 7.1%, to $7.417 million, for the quarter ended December 31, 2016, compared to $6.923 million in the fourth quarter of 2015. This increase is the result of higher yields on higher average earning assets. The yield on average interest earning assets increased to 3.41% in the fourth quarter of 2016 from 3.30% in the fourth quarter of 2015. The average balance of interest earning assets increased by $32.9 million. Average loans held for investment increased by $59.7 million year-over-year, and the average balance of loans held for sale was $21.6 million higher, while investments were $32.8 million lower. Despite the overall decrease in average investments, we have increased our investment in tax-exempt municipal securities in recent years, which aggregated $87.7 million at December 31, 2016, due to the relatively attractive attributes of these securities in the context of our overall portfolio, balance sheet management activities, and the value provided via reduced income tax expense.

Interest expense in the fourth quarter of 2016 was $804 thousand, an increase of $98 thousand from the same period in 2015. The cost of interest bearing liabilities remained essentially flat at 0.47% in the current quarter compared to 0.44% in the same period of 2015. Management increased its utilization of short-term FHLB advances as flexible borrowings in 2016.

Provision for credit losses was $0 in the fourth quarters of 2016 and 2015.

Non-interest income for the fourth quarter of 2016 was $4.872 million, a decrease of $455 thousand, or 8.5%, from $5.327 million in the fourth quarter of 2015. Mortgage banking revenue increased during the quarter when compared to the fourth quarter of 2015, although this was offset by lower revenues such as gains on the sale of loans and SBIC revenues, which can vary significantly from period-to-period. Mortgage banking production resulted in revenues of $3.573 million in the fourth quarter of 2016, compared to $3.067 million in the fourth quarter of 2015. Gains on sales of SBA loans were $1 thousand in the fourth quarter 2016, compared to $433 thousand in the prior year fourth quarter. SBIC revenues were $111 thousand in the fourth quarter of 2016 versus $709 thousand during the same period of 2015.

Non-interest expense for the fourth quarter of 2016 increased $761 thousand to $10.001 million, from $9.240 million in the fourth quarter of 2015. This increase is primarily related to mortgage banking, legal costs, and investments in technology and personnel to serve our customers and support growth.

In the fourth quarter of 2016, income tax expense was $37 thousand, compared to $474 thousand in the fourth quarter of 2015. The effective tax rate was 2.5% in the fourth quarter of 2016, compared to 20.6% in the same period of 2015. The decrease in the effective tax rate in the fourth quarter of 2016 is due to the relatively high proportion of tax-exempt income to pre-tax income in the period, as previously anticipated gains on sales of loans and SBIC revenues were delayed to periods later than anticipated.

Net income available to common shareholders was $1.447 million, or $0.41 per diluted share, for the fourth quarter of 2016. Net income available to common shareholders in the fourth quarter of 2015 was $1.598 million, or $0.46 per diluted share, after accounting for dividends paid on preferred stock. There were no preferred stock costs in the fourth quarter of 2016, due to the redemption of the preferred stock in the fourth quarter of 2015, versus $232 thousand in the fourth quarter of 2015.

Year Ended December 31, 2016

Net interest income in 2016 was $26.003 million, an increase of $658 thousand from $25.345 million in 2015. Interest income grew by $1.431 million in 2016 compared to 2015. Overall, yields on earning assets increased to 3.42% in 2016, compared to 3.26% in the same period of 2015, along with slightly higher average earning assets in 2016 compared to 2015. Average loans held for sale and loans held for investment increased by $3.1 million and $48.8 million, respectively, while cash and investments decreased by $52.0 million on a year-over-year basis. Overall, the net interest margin increased to 3.03% in 2016 from 2.96% in 2015.

In 2016, interest expense increased $773 thousand, to $3.343 million from $2.570 million in 2015. In 2016 and 2015, BNC redeemed $33.4 million and $20.0 million, respectively, of callable brokered certificates of deposit, at a cost of $233 thousand and $87 thousand, respectively. Excluding the costs to redeem these brokered deposits, interest expense increased by $627 thousand in 2016 compared to 2015. The cost of interest bearing liabilities increased to 0.49% in 2016, from 0.40%, in 2015. The increase in interest expense was primarily due to the issuance of subordinated debt in the fourth quarter of 2015, an increase in retail certificates of deposit balances, partially offset by the effects of redeeming brokered deposits, and increased utilization of short-term FHLB advances as flexible borrowings in periods of higher mortgage lending volume. The cost of core deposits increased to 0.23% in 2016, from 0.16% in 2015, as retail certificates of deposits have increased in recent quarters.

Provision credit losses was $800 thousand in 2016. A reversal of previous provisions for credit losses increased pre-tax earnings by $400 thousand in 2015.

Non-interest income in 2016 was $25.777 million, an increase of $827 thousand, or 3.3%, from $24.950 million in 2015. The increase primarily relates to a $3.251 million, or 20.1%, increase in mortgage revenue, which was partially offset by a decrease in gains on sales of assets of $1.830 million. Mortgage banking revenues were $19.465 million and $16.214 million in 2016 and 2015, respectively. Mortgage revenue can be influenced significantly by interest rates and seasonal factors. During 2016, we recorded a net gain on sales of investments and loans aggregating $963 thousand, compared to a $2.793 million net gain on sales of such assets in the same period of 2015. Excluding gains on sales of investments and loans, non-interest income increased $2.657 million or 12.0%.

Non-interest expense in 2016 was $41.193 million, an increase of $3.649 million, or 9.7%, from $37.544 million in the same period of 2015. This increase is primarily related to mortgage banking, legal costs, and investments in technology and personnel to serve our customers and support growth.

During 2016, we recorded a tax expense of $2.631 million, equating to an effective tax rate of 26.9%. We recorded tax expense of $3.945 million during 2015, which resulted in an effective tax rate of 30.0%. The decrease in the effective tax rate in 2016 is due to tax-exempt income being higher relative to pre-tax income during the recent year.

There were no preferred stock costs in 2016, due to the redemption of the preferred stock in the fourth quarter of 2015, versus $1.656 million in 2015.

Net income available to common shareholders was $7.156 million, or $2.03 per diluted share, in 2016. Net income available to common shareholders in 2015 was $7.550 million, or $2.16 per diluted share, after accounting for dividends paid on preferred stock.

Assets, Liabilities and Equity

Total assets were $910.4 million at December 31, 2016, an increase of $6.2 million, or 0.7%, compared to $904.2 million at December 31, 2015. Loans held for investment aggregated $414.7 million at December 31, 2016, an increase of $34.8 million, or 9.2%, since December 31, 2015. In addition, mortgage loans held for sale as of December 31, 2016 were down $10.8 million from December 31, 2015. Investment balances decreased $19.2 million from year-end 2015.

Total deposits were $752.6 million at December 31, 2016, compared to $780.4 million at December 31, 2015, as BNC redeemed $33.4 million of brokered deposits in 2016. Core deposits, which include recurring customer repurchase agreement balances, have increased by $4.2 million, or 1.0%, to $765.1 million at December 31, 2016 from $760.9 million as of December 31, 2015. The continued growth of our Arizona core deposits was partially offset by a decrease in North Dakota deposits. The Company has generally utilized Federal Home Loan Bank short term advances, with an average cost of 0.58%, as flexible borrowings in 2016.

The table below shows total deposits since 2012:

(In Thousands)	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
ND Bakken Branches	$ 178,677	$ 190,670	$ 178,565	$ 166,904	$ 144,662
ND Non-Bakken Branches	384,476	388,630	433,129	382,225	335,452
Total ND Branches	563,153	579,300	611,694	549,129	480,114
Brokered Deposits	-	33,363	53,955	64,525	65,000
Other	189,474	167,786	145,582	109,575	104,490
Total Deposits	$ 752,627	$ 780,449	$ 811,231	$ 723,229	$ 649,604

Trust assets under management or administration increased 10.1% to $273.6 million at December 31, 2016, compared to $248.4 million at December 31, 2015.

Capital

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

At December 31, 2016, our capital ratios exceeded all regulatory capital thresholds, including thresholds that incorporate fully phased in conservation buffers.

A summary of our capital ratios at December 31, 2016 and December 31, 2015 is presented below:

	December 31, 2016	December 31, 2015
BNCCORP, INC (Consolidated)		
Tier 1 leverage	9.47%	9.00%
Total risk based capital	19.96%	20.07%
Common equity tier 1 risk based capital	13.90%	13.57%
Tier 1 risk based capital	16.78%	16.72%
Tangible common equity	8.13%	7.62%
BNC National Bank		
Tier 1 leverage	9.67%	9.45%
Total risk based capital	18.41%	18.71%
Common equity tier 1 risk based capital	17.16%	17.45%
Tier 1 risk based capital	17.16%	17.45%

The CET 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.

The Company routinely evaluates the sufficiency of capital in order to ensure compliance with regulatory capital standards and be a source of strength for the Bank. We manage capital by assessing the composition of capital and the amounts available for growth, risk or other purposes.

Book value per common share of the Company was $21.47 as of December 31, 2016, compared to $20.12 at December 31, 2015. Book value per common share, excluding accumulated other comprehensive income, was $20.98 as of December 31, 2016, compared to $18.93 at December 31, 2015.

Asset Quality

The allowance for credit losses was $8.3 million at December 31, 2016, compared to $8.6 million at December 31, 2015. The allowance for credit losses as a percentage of total loans at December 31, 2016 was 1.82%, compared to 2.00% at December 31, 2015. The allowance as a percentage of loans and leases held for investment at December 31, 2016 was 2.00%, and at December 31, 2015 was 2.27%.

Nonperforming assets of $2.7 million at December 31, 2016, are up from $2.1 million at September 30, 2016, and up from $807 thousand at December 31, 2015. The ratio of nonperforming assets to total assets was 0.29% at December 31, 2016, 0.23% at September 30, 2016, and 0.09% at December 31, 2015. Nonperforming loans of $2.4 million at December 31, 2016, are up from $1.9 million at September 30, 2016, and up from $565 thousand at December 31, 2015. The increase in nonperforming assets during 2016 relates to one relationship greater than $1 million in the energy sector, which was partially charged off in the third quarter, and several other relationships which were deemed to be non-performing during the fourth quarter.

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. At December 31, 2015, BNC had $9.8 million of classified loans, $390 thousand of loans on non-accrual, and $242 thousand of other real estate owned. BNC had $9.4 million of potentially problematic loans, which are risk rated “watch list”, at December 31, 2016, compared with $7.9 million as of December 31, 2015. The increase in classified loans since the beginning of the year relates primarily to three relationships in western North Dakota.

As evidenced by our nonperforming asset ratios and delinquency rates, as of December 31, 2016, the decrease in oil and agricultural commodity prices have yet to have a significant negative effect on our credit quality. However, the economic activity in western North Dakota is subdued relative to a few years ago. Prolonged periods of lower agricultural and oil prices could have an adverse economic impact on the North Dakota economy, commodity dependent businesses, and our loan portfolio. Oil prices most directly impact the underlying collateral for our oil exploration and production (E&P) loans. Loans outstanding for the purpose of and secured by E&P in North Dakota were approximately $9.7 million, or 2.4% of total loans held for investment, at December 31, 2016, compared to $11.7 million, or 3.1%, of loans held for investment, at December 31, 2015. In addition to E&P loans, loans to customers serving the energy industries in western North Dakota are impacted by protracted low energy prices, as depressed energy prices in recent periods have reduced economic activity and collateral values in western North Dakota. Customers in, or serving the North Dakota agricultural sector have been experiencing lower commodity prices for multiple years, which has had a dampening effect on economic activity in the region.

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 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 December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
SELECTED INCOME STATEMENT DATA				
Interest income	$ 7,417	$ 6,923	$ 29,346	$ 27,915
Interest expense	804	706	3,343	2,570
Net interest income	6,613	6,217	26,003	25,345
Provision (reduction) for credit losses	-	-	800	(400)
Non-interest income	4,872	5,327	25,777	24,950
Non-interest expense	10,001	9,240	41,193	37,544
Income before income taxes	1,484	2,304	9,787	13,151
Income tax expense	37	474	2,631	3,945
Net income	1,447	1,830	7,156	9,206
Preferred stock costs	-	232	-	1,656
Net income available to common shareholders	$ 1,447	$ 1,598	$ 7,156	$ 7,550
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.42	$ 0.47	$ 2.08	$ 2.23
Diluted earnings per common share	$ 0.41	$ 0.46	$ 2.03	$ 2.16

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 668	$ 716	$ 2,731	$ 2,901
Wealth management revenues	376	349	1,532	1,476
Mortgage banking revenues	3,573	3,067	19,465	16,214
Gains on sales of loans, net	1	433	234	1,138
Gains on sales of investments, net	-	(77)	729	1,655
Other	254	839	1,086	1,566
Total non-interest income	$ 4,872	$ 5,327	$ 25,777	$ 24,950
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 5,032	$ 4,696	$ 21,432	$ 19,692
Professional services	1,121	1,032	4,581	3,923
Data processing fees	927	769	3,666	3,059
Marketing and promotion	972	923	3,798	3,523
Occupancy	540	524	2,160	1,981
Regulatory costs	173	173	675	696
Depreciation and amortization	401	353	1,519	1,415
Office supplies and postage	174	156	687	648
Other real estate costs	12	2	34	18
Other	649	612	2,641	2,589
Total non-interest expense	$ 10,001	$ 9,240	$ 41,193	$ 37,544
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,459,033	3,390,864	3,447,635	3,386,600
Incremental shares from assumed conversion of options and contingent shares	67,997	105,474	73,183	111,140
Adjusted weighted average shares (b)	3,527,030	3,496,340	3,520,818	3,497,740

(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 December 31, 2016	As of September 30, 2016	As of December 31, 2015
SELECTED BALANCE SHEET DATA			
Total assets	$ 910,400	$ 942,593	$ 904,246
Loans held for sale-mortgage banking	39,641	63,614	50,445
Loans and leases held for investment	414,673	413,151	379,903
Total loans	454,314	476,765	430,348
Allowance for credit losses	(8,285)	(8,684)	(8,611)
Investment securities available for sale	400,136	409,719	419,346
Other real estate, net and repossessed assets	218	225	242
Earning assets	851,564	884,662	848,075
Total deposits	752,627	755,364	780,449
Core deposits (1)	765,138	770,592	760,937
Other borrowings	75,523	98,241	46,166
Cash and cash equivalents	11,113	11,265	15,189
OTHER SELECTED DATA			
Net unrealized gains in accumulated other comprehensive income	$ 1,683	$ 6,996	$ 4,081
Trust assets under supervision	$ 273,643	$ 272,115	$ 248,371
Total common stockholders' equity	$ 74,195	$ 77,843	$ 68,988
Book value per common share	$ 21.47	$ 22.51	$ 20.12
Book value per common share excluding accumulated other comprehensive income, net	$ 20.98	$ 20.49	$ 18.93
Full time equivalent employees	291	305	263
Common shares outstanding	3,456,008	3,458,261	3,428,416
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	13.90%	13.28%	13.57%
Tier 1 leverage (Consolidated)	9.47%	9.30%	9.00%
Tier 1 risk-based capital (Consolidated)	16.78%	16.10%	16.72%
Total risk-based capital (Consolidated)	19.96%	19.24%	20.07%
Tangible common equity (Consolidated)	8.13%	8.24%	7.62%
Common equity Tier 1 risk-based capital (Bank)	17.16%	16.90%	17.45%
Tier 1 leverage (Bank)	9.67%	9.76%	9.45%
Tier 1 risk-based capital (Bank)	17.16%	16.90%	17.45%
Total risk-based capital (Bank)	18.41%	18.16%	18.71%
Tangible capital (Bank)	10.04%	10.33%	9.71%

(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 December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
AVERAGE BALANCES				
Total assets	$ 922,722	$ 886,934	$ 914,017	$ 909,351
Loans held for sale-mortgage banking	57,560	35,981	49,944	46,829
Loans and leases held for investment	409,937	350,216	399,669	350,840
Total loans	467,497	386,197	449,613	397,669
Investment securities available for sale	401,099	433,927	411,403	442,243
Earning assets	865,637	832,693	858,768	856,987
Total deposits	754,641	755,884	753,100	777,484
Core deposits	769,818	738,420	755,114	752,309
Total equity	77,191	80,924	75,517	85,750
Cash and cash equivalents	9,770	27,345	10,710	31,842
KEY RATIOS				
Return on average common stockholders’ equity (a)	7.97%	9.89%	10.35%	12.21%
Return on average assets (b)	0.62%	0.82%	0.78%	1.01%
Net interest margin	3.04%	2.96%	3.03%	2.96%
Efficiency ratio	87.08%	80.04%	79.55%	74.65%
Efficiency ratio (BNC National Bank)	84.00%	77.41%	76.25%	72.33%

(a) Return on average common stockholders’ equity is calculated by using the net income available to common shareholders as the numerator and average common equity (less preferred stock and 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 December 31, 2016	As of September 30, 2016	As of December 31, 2015
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ 20	$ 2	$ 175
Non-accrual loans	2,425	1,906	390
Total nonperforming loans	$ 2,445	$ 1,908	$ 565
Other real estate, net and repossessed assets	218	225	242
Total nonperforming assets	$ 2,663	$ 2,133	$ 807
Allowance for credit losses	$ 8,285	$ 8,684	$ 8,611
Troubled debt restructured loans	$ 2,038	$ 2,054	$ 2,197
Ratio of total nonperforming loans to total loans	0.54%	0.40%	0.13%
Ratio of total nonperforming assets to total assets	0.29%	0.23%	0.09%
Ratio of nonperforming loans to total assets	0.27%	0.20%	0.06%
Ratio of allowance for credit losses to loans and leases held for investment	2.00%	2.10%	2.27%
Ratio of allowance for credit losses to total loans	1.82%	1.82%	2.00%
Ratio of allowance for credit losses to nonperforming loans	339%	455%	1,524%

	For the Quarter Ended December 31,		For the Twelve Months Ended December 31,	
(In thousands)	2016	2015	2016	2015
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 1,908	$ 341	$ 565	$ 61
Additions to nonperforming	927	241	3,086	1,178
Charge-offs	(380)	-	(912)	(168)
Reclassified back to performing	(1)	-	(176)	(455)
Principal payments received	(5)	(17)	(114)	(51)
Transferred to repossessed assets	(4)	-	(4)	-
Balance, end of period	$ 2,445	$ 565	$ 2,445	$ 565

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 8,684	$ 8,599	$ 8,611	$ 8,601
Provision (reduction)	-	-	800	(400)
Loans charged off	(408)	(5)	(1,174)	(235)
Loan recoveries	9	17	48	645
Balance, end of period	$ 8,285	$ 8,611	$ 8,285	$ 8,611
Ratio of net charge-offs to average total loans	(0.085)%	0.003%	(0.250)%	0.103%
Ratio of net charge-offs to average total loans, annualized	(0.341)%	0.012%	(0.250)%	0.103%

(In thousands)	For the Quarter Ended December 31, 2016	For the Quarter Ended December 31, 2015	For the Twelve Months Ended December 31, 2016	For the Twelve Months Ended December 31, 2015
Changes in Other Real Estate:				
Balance, beginning of period	$ 225	$ 242	$ 242	$ 256
Transfers from nonperforming loans	-	-	-	-
Real estate sold	-	-	(4)	-
Net gains on sale of assets	-	-	4	-
Provision	(11)	-	(28)	(14)
Balance, end of period	$ 214	$ 242	$ 214	$ 242

(In thousands)	As of December 31, 2016	As of September 30, 2016	As of December 31, 2015
Other Real Estate:			
Other real estate	$ 954	$ 954	$ 954
Valuation allowance	(740)	(729)	(712)
Other real estate, net	$ 214	$ 225	$ 242

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of December 31, 2016	As of September 30, 2016	As of December 31, 2015
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 41,769	$ 40,701	$ 46,311
Construction	6,819	8,452	11,937
Agricultural	19,351	20,075	16,159
Land and land development	9,674	9,859	11,549
Owner-occupied commercial real estate	45,350	41,848	37,832
Commercial real estate	100,975	101,061	79,119
Small business administration	4,512	5,197	2,662
Consumer	44,267	43,731	39,228
Subtotal loans held for investment	$ 272,717	$ 270,924	$ 244,797
Consolidated			
Commercial and industrial	$ 54,037	$ 53,818	$ 62,940
Construction	12,215	12,228	15,187
Agricultural	20,273	20,546	18,003
Land and land development	15,982	15,776	17,627
Owner-occupied commercial real estate	49,294	50,369	44,066
Commercial real estate	171,972	172,722	149,099
Small business administration	31,518	29,802	25,860
Consumer	59,183	57,708	47,073
Total loans held for investment	$ 414,474	$ 412,969	$ 379,855