BNCCORP

NEWS RELEASE

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BNCCORP, INC. REPORTS THIRD QUARTER NET INCOME TO COMMON SHAREHOLDERS OF $2.3 MILLION, OR $0.64 PER DILUTED SHARE

2016 Third Quarter Highlights

- **2016 third quarter results reflect continued strong financial performance**
- **Net income available to common shareholders increased 61.4% to $2.3 million, from $1.4 million in the third quarter of 2015, primarily due to higher net interest income and non-interest income, and the beneficial impact of deleveraging**
- **Book value per common share was $22.51 at September 30, 2016 compared to $20.12 at December 31, 2015, an increase of 11.9%**
- **Return on equity was 12.75% in the third quarter of 2016 and 11.20% for the nine months ended September 30, 2016**
- **Basic and diluted earnings per share in the first nine months of 2016 were $1.66 and $1.62, respectively**
- **Loans Held for Investment increased $69.5 million or 20.2% since September 30, 2015.**

BISMARCK, ND, October 27, 2016 – 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 Arkansas, Illinois, Kansas, Missouri, Minnesota, Arizona and North Dakota, today reported financial results for the third quarter ended September 30, 2016.

Net income available to common shareholders in the 2016 third quarter was $2.259 million, or $0.64 per diluted share, compared to $1.400 million, or $0.40 per diluted share, in the third quarter of 2015. The increase in net income available to common shareholders is primarily attributable to higher net interest income, higher non-interest income, and the impact of deleveraging BNC in the fourth quarter of 2015.

Net interest income in the 2016 third quarter increased by $527 thousand, or 8.6%, from the same quarter in 2015, due to growth of loans held for investment, higher yields on earning assets and improved net interest margin.

Non-interest income in the third quarter of 2016 increased by $2.527 million, or 48.3%, from the same period in 2015 driven by growth in mortgage banking revenue. Non-interest expense increased by $1.738 million, or 19.4%, in the third quarter of 2016, compared to the prior year period, due to higher mortgage volume related costs and investments in technology as BNC strives to improve its customers' experience and keep pace with advancements in banking.

The provision for credit losses was $400 thousand in the third quarter of 2016, compared to a reversal of previous provisions for credit losses of $400 thousand which increased earnings in the same period of 2015. The ratio of nonperforming assets to total assets was 0.23% at September 30, 2016 compared to 0.09% at December 31, 2015.

Book value per common share at September 30, 2016 rose to $22.51 compared to $20.12 and $20.09 at December 31, 2015 and September 30, 2015, respectively. Excluding accumulated other comprehensive income, book value per common share at September 30, 2016 was $20.49 compared to $18.93 and $18.49 at December 31, 2015 and September 30, 2015, respectively. Since year-end 2010, book value per common share has increased $17.42 or 342%.

Timothy J. Franz, BNC President and Chief Executive Officer, said, "We delivered strong performance in the third quarter as demonstrated by higher net income available to common shareholders, earnings per share and a 12.75% return on common equity. Importantly, we have grown our loans held for investment by 20% in the past year and core deposits grew by more than 5% in the same period while our mortgage banking operations continued to capitalize on conditions that are favorable to the housing market. Overall, we are pleased with the value that BNC created this quarter, which is the most recent of several consecutive good quarters, and we look forward to continuing to build shareholder value."

Third Quarter Results

Net interest income for the third quarter of 2016 was $6.632 million, an increase of $527 thousand, or 8.6%, from $6.105 million in the same period of 2015. Overall, the net interest margin increased to 3.05% in the third quarter of 2016 from 2.91% in the third quarter of 2015.

Interest income was $7.408 million for the quarter ended September 30, 2016 compared to $6.662 million in the third 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 third quarter of 2016 from 3.17% in the third quarter of 2015. The average balance of interest earning assets increased by $32.7 million. Our average loans held for investment increased by $57.8 million year-over-year, and the average balances of loans held for sale was $16.1 million higher, while investments were $26.0 million lower. Despite the overall decrease in average investments, we have increased our investment in tax exempt municipal securities in recent periods, which aggregated $92.4 million at September 30, 2016, due to the relatively attractive attributes of these securities in the context of our overall portfolio and balance sheet management activities and the value provided via reduced income tax expense.

Interest expense in the third quarter of 2016 was $776 thousand, an increase of $219 thousand from the same period in 2015. The cost of interest bearing liabilities increased to 0.45% in the current quarter from 0.35% in the same period of 2015, primarily due to the issuance of subordinated debt in the fourth quarter of 2015, and an increase in retail certificates of deposit balances in recent quarters. The cost of these liabilities was partially offset by redeeming callable brokered certificates of deposit in the second quarter of 2015 and first half of 2016. The costs related to the redemptions of brokered deposits aggregated $233 thousand in 2016. The cost of core deposits was 0.24% in the third quarter of 2016 and 0.16% in the third quarter of 2015, due largely to higher balances of retail certificates of deposit, which generally have higher rates than non-maturity deposits. Average interest bearing core deposits, which excludes brokered deposits, increased $33.5 million, or 5.8%, during the third quarter of 2016 compared to the third quarter of 2015.

Provision for credit losses was $400 thousand in the third quarter of 2016. As a result, our allowance for credit losses has remained essentially flat in 2016. A reversal of previous provisions for credit losses increased pre-tax earnings by $400 thousand for the same period in 2015.

Non-interest income for the third quarter of 2016 was $7.759 million, an increase of $2.527 million, or 48.3%, from $5.232 million in the third quarter of 2015, primarily due to an increase in mortgage revenue. Mortgage banking production resulted in revenues of $6.163 million in the third quarter of 2016 compared to $3.663 million in the third quarter of 2015. Gains on sales of SBA loans have declined as the Company's loan growth has recently favored conventional loans. Gains and losses on sales of assets can vary significantly from period to period.

Non-interest expense for the third quarter of 2016 increased $1.738 million to $10.718 million from $8.980 million in the third quarter of 2015. This increase is primarily related to mortgage banking, legal costs, and investments to serve our customers and support growth.

In the third quarter of 2016, income tax expense was $1.014 million compared to $882 thousand in the third quarter of 2015. The effective tax rate was 31.0% in the third quarter of 2016 compared to 32.0% in the same period of 2015. The decrease in the effective tax rate in the third quarter of 2016 is due to a higher percentage of tax exempt income than in the third quarter 2015.

Net income available to common shareholders was $2.259 million, or $0.64 per diluted share, for the third quarter of 2016. Net income available to common shareholders in the third quarter of 2015 was $1.400 million, or $0.40 per diluted share after accounting for dividends paid on preferred stock. There were no preferred stock costs in the third quarter of 2016 due to the redemption of the preferred stock in the fourth quarter of 2015, versus $475 thousand in the third quarter of 2015.

Nine Months Ended September 30, 2016

Net interest income in the first nine months of 2016 was $19.390 million, an increase of $262 thousand from $19.128 million in the first nine months of 2015. Yields on earning assets overall increased to 3.42% in the nine-month period ended September 30, 2016 compared to 3.24% in the same period of 2015, while the average balance of earning assets was $8.6 million lower in the first nine months of 2016 compared to the same period of 2015. Average loans held for investment were higher by $45.2 million while cash and investments were lower by $52.5 million. Overall, the net interest margin increased to 3.02% in the first nine months of 2016 from 2.96% in the first nine months of 2015.

Interest expense during the first nine months of 2016 increased to $2.539 million from $1.864 million, or 36.2%, in the same period of 2015. In the first nine months of 2016 and 2015, BNC submitted notices to redeem $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 $529 thousand in 2016 compared to 2015. The cost of interest bearing liabilities increased to 0.50% in the first nine months of 2016 from 0.38% in the same period of 2015, primarily due to the issuance of subordinated debt in the fourth quarter of 2015, and an increase in retail certificates of deposit balances, partially offset by the effects of redeeming brokered deposits. The cost of core deposits increased to 0.22% in the first nine months of 2016 from 0.16% in the first nine months of 2015 as retail certificates of deposits have increased in recent quarters.

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

Non-interest income for the first nine months of 2016 was $20.905 million, an increase of $1.282 million, or 6.5% from $19.623 million in the same period of 2015. The increase primarily relates to a $2.745 million, or 20.9%, increase in mortgage revenue, which is offset by a decrease in gains on sales of assets of $1.475 million. During the nine-month period ended September 30, 2016, we recorded a net gain on sales of investments and loans aggregating $962 thousand, compared to a $2.437 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 16.0%.

Non-interest expense for the first nine months of 2016 was $31.192 million, an increase of $2.888 million, or 10.2%, from $28.304 million in the same period of 2015. This increase is primarily related to mortgage banking, legal costs, and investments to serve our customers and support growth.

During the nine-month period ended September 30, 2016, we recorded a tax expense of $2.594 million, equating to an effective tax rate of 31.2%. We recorded tax expense of $3.471 million during the nine-month period ended September 30, 2015, which resulted in an effective tax rate of 32.0%.

Preferred stock costs were $0 in the first nine months of 2016 due to the redemption of the preferred stock in the fourth quarter of 2015, versus $1.424 million in the first nine months of 2015.

Net income available to common shareholders was $5.709 million, or $1.62 per diluted share, for the nine months ended September 30, 2016. Net income available to common shareholders in the first nine months of 2015 was $5.952 million, or $1.70 per diluted share, after accounting for dividends paid on preferred stock.

Assets, Liabilities and Equity

Total assets were $942.6 million at September 30, 2016, an increase of $38.3 million, or 4.2%, compared to $904.2 million at December 31, 2015. Loans held for investment aggregated $413.2 million at September 30, 2016, an increase of $33.2 million, or 8.8% since December 31, 2015. Since September 30, 2015, loans held for investment have increased $69.5 million or 20.2%. In addition, mortgage loans held for sale as of September 30, 2016 were up $13.2 million from December 31, 2015 as mortgage volume continues to remain strong. Investment balances remained relatively unchanged from year-end 2015.

Total deposits were $755.4 million at September 30, 2016 compared to $780.4 million at December 31, 2015 as BNC redeemed all remaining brokered deposits ($33.4 million) in 2016. Core deposits, which include recurring customer repurchase agreement balances, have increased by $42.7 million, or 5.9%, to $770.6 million at September 30, 2016 from $727.9 million as of September 30, 2015. This increase in core deposits occurred despite relatively subdued economic activity in North Dakota which has been impacted by lower energy and agricultural prices during this period. The Company has generally utilized Federal Home Loan Bank short term advances, with an average cost of 0.51%, to fund mortgage banking loans held for sale.

The table below shows total deposits since 2012:

(In Thousands)	September 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
ND Bakken Branches	$ 177,866	$ 190,670	$ 178,565	$ 166,904	$ 144,662
ND Non-Bakken Branches	372,898	388,630	433,129	382,225	335,452
Total ND Branches	550,764	579,300	611,694	549,129	480,114
Brokered Deposits	-	33,363	53,955	64,525	65,000
Other	204,600	167,786	145,582	109,575	104,490
Total Deposits	$ 755,364	$ 780,449	$ 811,231	$ 723,229	$ 649,604

Trust assets under management or administration increased to $272.1 million at September 30, 2016, compared to $248.4 million at December 31, 2015.

Capital

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

At September 30, 2016, our capital ratios exceeded all regulatory capital thresholds and maintained sufficient capital conservation buffers to avoid limitations on certain types of capital distributions.

A summary of our capital ratios at September 30, 2016 and December 31, 2015 is presented below:

	September 30, 2016	December 31, 2015
BNCCORP, INC (Consolidated)		
Tier 1 leverage	9.30%	9.00%
Total risk based capital	19.24%	20.07%
Common equity tier 1 risk based capital	13.28%	13.57%
Tier 1 risk based capital	16.10%	16.72%
Tangible common equity	8.24%	7.62%
BNC National Bank		
Tier 1 leverage	9.76%	9.45%
Total risk based capital	18.16%	18.71%
Common equity tier 1 risk based capital	16.90%	17.45%
Tier 1 risk based capital	16.90%	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 $22.51 as of September 30, 2016, compared to $20.12 at December 31, 2015. Book value per common share, excluding accumulated other comprehensive income, was $20.49 as of September 30, 2016, compared to $18.93 at December 31, 2015.

Asset Quality

The allowance for credit losses was $8.7 million at September 30, 2016, compared to $8.6 million at December 31, 2015. The allowance for credit losses as a percentage of total loans at September 30, 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 September 30, 2016 was 2.10% and at December 31, 2015 was 2.27%.

Nonperforming assets of $2.1 million at September 30, 2016, are down from $2.6 million at June 30, 2016, although they are up from $807 thousand at December 31, 2015. The ratio of nonperforming assets to total assets was 0.23% at September 30, 2016, 0.28% at June 30, 2016, and 0.09% at December 31, 2015. Nonperforming loans of $1.9 million at September 30, 2016, are down from $2.3 million at June 30, 2016, although they are up from $565 thousand at December 31, 2015. The increase in nonperforming assets since the beginning of the year relates to one relationship in the energy sector which was partially charged off in the third quarter.

Since the beginning of 2016, our classified loans have decreased, however, classified assets have increased since June 30, 2016. At September 30, 2016, BNC had $9.2 million of classified loans, $1.9 million of loans on non-accrual and $225 thousand of other real estate owned. 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 $11.9 million of potentially problematic loans, which are risk rated “watch list”, at September 30, 2016 compared with $7.9 million as of December 31, 2015. The decrease in classified loans since the beginning of the year relates primarily to one relationship in North Dakota that was upgraded after sustained performance.

As evidenced by our nonperforming asset ratios and delinquency rates, as of September 30, 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 $9.6 million, or 2.3% of total loans held for investment at September 30, 2016, compared to $11.7 million, or 3.1%, of loans held for investment at December 31, 2015. Advances on E&P lines are generally limited to 50% of the value of proven, developed and producing oil reserves with valuations generally being performed on a semi-annual basis. In addition to E&P loans, loans to customers serving the energy industries in western North Dakota will be impacted by protracted low energy prices. 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 16 locations. BNC also conducts mortgage banking from 17 offices in Arkansas, 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 September 30, 2016	For the Quarter Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
SELECTED INCOME STATEMENT DATA				
Interest income	$ 7,408	$ 6,662	$ 21,929	$ 20,992
Interest expense	776	557	2,539	1,864
Net interest income	6,632	6,105	19,390	19,128
Provision (reduction) for credit losses	400	(400)	800	(400)
Non-interest income	7,759	5,232	20,905	19,623
Non-interest expense	10,718	8,980	31,192	28,304
Income before income taxes	3,273	2,757	8,303	10,847
Income tax expense	1,014	882	2,594	3,471
Net income	2,259	1,875	5,709	7,376
Preferred stock costs	-	475	-	1,424
Net income available to common shareholders	$ 2,259	$ 1,400	$ 5,709	$ 5,952
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.65	$ 0.41	$ 1.66	$ 1.76
Diluted earnings per common share	$ 0.64	$ 0.40	$ 1.62	$ 1.70

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended September 30, 2016	For the Quarter Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 700	$ 761	$ 2,063	$ 2,185
Wealth management revenues	373	355	1,156	1,127
Mortgage banking revenues	6,163	3,663	15,892	13,147
Gains on sales of loans, net	10	133	233	705
Gains on sales of investments, net	292	172	729	1,732
Other	221	148	832	727
Total non-interest income	$ 7,759	$ 5,232	$ 20,905	$ 19,623
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 5,619	$ 4,317	$ 16,400	$ 14,996
Professional services	1,236	1,039	3,460	2,891
Data processing fees	932	788	2,739	2,290
Marketing and promotion	924	1,044	2,826	2,600
Occupancy	551	507	1,620	1,457
Regulatory costs	168	176	502	523
Depreciation and amortization	397	358	1,118	1,062
Office supplies and postage	164	153	513	492
Other real estate costs	-	1	22	16
Other	727	597	1,992	1,977
Total non-interest expense	$ 10,718	$ 8,980	$ 31,192	$ 28,304
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,453,949	3,388,706	3,445,500	3,384,634
Incremental shares from assumed conversion of options and contingent shares	75,330	112,616	74,911	113,028
Adjusted weighted average shares (b)	3,529,279	3,501,322	3,520,411	3,497,662

(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, 2016	As of December 31, 2015	As of September 30, 2015
SELECTED BALANCE SHEET DATA			
Total assets	$ 942,593	$ 904,246	$ 875,524
Loans held for sale-mortgage banking	63,614	50,445	43,795
Loans and leases held for investment	413,151	379,903	343,687
Total loans	476,765	430,348	387,482
Allowance for credit losses	(8,684)	(8,611)	(8,599)
Investment securities available for sale	409,719	419,346	436,680
Other real estate, net	225	242	242
Earning assets	884,662	848,075	824,067
Total deposits	755,364	780,449	745,804
Core deposits (1)	770,592	760,937	727,878
Other borrowings	98,241	46,166	30,460
Cash and cash equivalents	11,265	15,189	13,696
OTHER SELECTED DATA			
Net unrealized gains in accumulated other comprehensive income	$ 6,996	$ 4,081	$ 5,488
Trust assets under supervision	$ 272,115	$ 248,371	$ 249,627
Total common stockholders' equity	$ 77,843	$ 68,988	$ 68,559
Book value per common share	$ 22.51	$ 20.12	$ 20.09
Book value per common share excluding accumulated other comprehensive income, net	$ 20.49	$ 18.93	$ 18.49
Full time equivalent employees	305	263	272
Common shares outstanding	3,458,261	3,428,416	3,411,984
CAPITAL RATIOS			
Common equity Tier 1 risk-based capital (Consolidated)	13.28%	13.57%	13.95%
Tier 1 leverage (Consolidated)	9.30%	9.00%	11.20%
Tier 1 risk-based capital (Consolidated)	16.10%	16.72%	21.96%
Total risk-based capital (Consolidated)	19.24%	20.07%	23.21%
Tangible common equity (Consolidated)	8.24%	7.62%	7.82%
Common equity Tier 1 risk-based capital (Bank)	16.90%	17.45%	20.85%
Tier 1 leverage (Bank)	9.76%	9.45%	10.67%
Tier 1 risk-based capital (Bank)	16.90%	17.45%	20.85%
Total risk-based capital (Bank)	18.16%	18.71%	22.11%
Tangible capital (Bank)	10.33%	9.71%	11.45%

(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, 2016	For the Quarter Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
AVERAGE BALANCES				
Total assets	$ 921,701	$ 884,156	$ 911,116	$ 916,823
Loans held for sale-mortgage banking	54,949	38,820	47,406	50,445
Loans and leases held for investment	404,783	346,985	396,245	351,047
Total loans	459,732	385,805	443,651	401,492
Investment securities available for sale	408,410	434,433	414,838	445,015
Earning assets	865,407	832,729	856,478	865,085
Total deposits	748,600	754,480	752,586	784,684
Core deposits	757,868	736,096	750,212	756,938
Total equity	78,155	87,832	74,959	87,358
Cash and cash equivalents	10,247	26,892	11,024	33,341
KEY RATIOS				
Return on average common stockholders' equity (a)	12.75%	8.88%	11.20%	13.03%
Return on average assets (b)	0.97%	0.84%	0.84%	1.08%
Net interest margin	3.05%	2.91%	3.02%	2.96%
Efficiency ratio	74.48%	79.20%	77.41%	73.04%
Efficiency ratio (BNC National Bank)	71.10%	76.93%	74.03%	70.80%

(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 September 30, 2016	As of December 31, 2015	As of September 30, 2015
ASSET QUALITY			
Loans 90 days or more delinquent and still accruing interest	$ 2	$ 175	$ -
Non-accrual loans	1,906	390	341
Total nonperforming loans	$ 1,908	$ 565	$ 341
Other real estate, net	225	242	242
Total nonperforming assets	$ 2,133	$ 807	$ 583
Allowance for credit losses	$ 8,684	$ 8,611	$ 8,599
Troubled debt restructured loans	$ 2,054	$ 2,197	$ 2,209
Ratio of total nonperforming loans to total loans	0.40%	0.13%	0.09%
Ratio of total nonperforming assets to total assets	0.23%	0.09%	0.07%
Ratio of nonperforming loans to total assets	0.20%	0.06%	0.04%
Ratio of allowance for credit losses to loans and leases held for investment	2.10%	2.27%	2.50%
Ratio of allowance for credit losses to total loans	1.82%	2.00%	2.22%
Ratio of allowance for credit losses to nonperforming loans	455%	1,524%	2,522%

	For the Quarter Ended September 30,		For the Nine Months Ended September 30,	
(In thousands)	2016	2015	2016	2015
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 2,341	$ 722	$ 565	$ 61
Additions to nonperforming	24	94	2,159	937
Charge-offs	(437)	(22)	(532)	(168)
Reclassified back to performing	-	(436)	(175)	(455)
Principal payments received	(20)	(17)	(109)	(34)
Balance, end of period	$ 1,908	$ 341	$ 1,908	$ 341

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended September 30, 2016	For the Quarter Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 8,725	$ 8,591	$ 8,611	$ 8,601
Provision (reduction)	400	(400)	800	(400)
Loans charged off	(453)	(35)	(766)	(230)
Loan recoveries	12	443	39	628
Balance, end of period	$ 8,684	$ 8,599	$ 8,684	$ 8,599
Ratio of net charge-offs to average total loans	(0.096)%	0.106%	(0.164)%	0.099%
Ratio of net charge-offs to average total loans, annualized	(0.384)%	0.423%	(0.218)%	0.132%

(In thousands)	For the Quarter Ended September 30, 2016	For the Quarter Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 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	-	-	(17)	(14)
Balance, end of period	$ 225	$ 242	$ 225	$ 242

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

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of September 30, 2016	As of December 31, 2015	As of September 30, 2015
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 40,701	$ 46,311	$ 44,647
Construction	8,452	11,937	13,372
Agricultural	20,075	16,159	12,936
Land and land development	9,859	11,549	10,451
Owner-occupied commercial real estate	41,848	37,832	37,871
Commercial real estate	101,061	79,119	75,838
Small business administration	5,197	2,662	1,241
Consumer	43,731	39,228	37,307
Subtotal loans held for investment	$ 270,924	$ 244,797	$ 233,663
Consolidated			
Commercial and industrial	$ 53,818	$ 62,940	$ 55,577
Construction	12,228	15,187	20,915
Agricultural	20,546	18,003	13,540
Land and land development	15,776	17,627	17,206
Owner-occupied commercial real estate	50,369	44,066	44,717
Commercial real estate	172,722	149,099	121,205
Small business administration	29,802	25,860	25,128
Consumer	57,708	47,073	45,352
Total loans held for investment	$ 412,969	$ 379,855	$ 343,640