NEWS RELEASE

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BNCCORP, INC. REPORTS FOURTH QUARTER NET INCOME OF $3.3 MILLION, OR $0.92 PER DILUTED SHARE

Highlights

- **Net income in the fourth quarter of 2021 was $3.3 million, or $0.92 per diluted share, compared to $12.4 million, or $3.49 per diluted share during the same period of 2020.**
- **Mortgage revenue, as anticipated, decreased to $5.7 million in the fourth quarter of 2021, compared to $22.3 million during the same period of 2020.**
- **2021 full-year net income was $22.0 million, or $6.15 per diluted share, compared to $44.6 million, or $12.52 per diluted share in 2020.**
- **Return on assets and return on equity was 2.00% and 17.87%, respectively for the year ended December 31, 2021, compared to 4.21% and 38.84%, respectively, for the year ended December 31, 2020.**
- **Tangible book value per share was $32.35 at December 31, 2021, compared to $33.39 at December 31, 2020.**
- **The tangible common equity ratio was 10.98% at December 31, 2021, compared to 11.01% at December 31, 2020.**
- **Solid new origination activity during the fourth quarter drove an increase in loans held for investment, excluding $11.9 million of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, to $517.9 million at December 31, 2021, compared to $490.4 million and $499.1 million at June 30, 2021, and September 30, 2021, respectively.**
- **BNC released $350 thousand of its allowance for credit losses in the fourth quarter of 2021 compared to a $270 thousand provision for credit losses during the same period of 2020.**

- **Allowance for credit losses at December 31, 2021, was 1.75% of loans held for investment, excluding $11.9 million of Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, compared to 1.98% at December 31, 2020.**
- **Nonperforming assets were $1.7 million or 0.16% of total assets at December 31, 2021 compared to $2.6 million or 0.24% of total assets at December 31, 2020.**

BISMARCK, ND, January 28, 2022 – BNCCORP, INC. (BNC or the Company) (OTCQX Markets: BNCC), which operates community banking and wealth management businesses in North Dakota and Arizona, and has mortgage banking offices in Illinois, Kansas, Michigan, Arizona, and North Dakota, today reported financial results for the fourth quarter and year ended December 31, 2021.

Overview of Quarter

Net income in the fourth quarter of 2021, was $3.3 million, compared to $12.4 million in the same period of 2020. Fourth quarter 2021 earnings per diluted share was $0.92, versus $3.49 in the fourth quarter 2020. Consistent with the 2021 third quarter, the year-over-year decrease was primarily due to lower mortgage revenues and lower net interest income, partially offset by lower non-interest expense and a reduction in the allowance for credit losses.

Fourth quarter 2021 net interest income decreased by $1.1 million to $7.4 million, or 13.5%, from the comparable 2020 quarter. Interest income decreased by $1.4 million, or 15.7%, from the 2020 fourth quarter due to lower balances and yields on loans partially offset by accretion of PPP fees and higher balances of interest-bearing cash and debt securities. Fourth quarter 2021 interest expense decreased by $306 thousand, or 42.7%, versus the fourth quarter of 2020 due to a reduction in the cost of deposits, and a reduction in certificates of deposit balances.

Non-interest income in the fourth quarter of 2021 decreased by $15.9 million, from the same period in 2020. In the fourth quarter of 2021, mortgage banking revenues were $5.7 million, $16.6 million lower than the same period a year ago, during which the Company experienced a combination of historically high refinance originations and margins. Wealth management revenues increased $74 thousand, or 15.6%, on a period over period basis due to an increase in assets under administration. The sale of SBA loans resulted in gains on sales of loans of $389 thousand in the fourth quarter of 2021. The Company received profit distributions of $172 thousand from SBIC investments during the 2021 fourth quarter compared to $17 thousand in the same period in 2020. Gains on sales of loans and profit distributions from SBIC investments can vary significantly from period to period.

Non-interest expense in the 2021 fourth quarter decreased by $4.7 million, or 29.5%, versus the fourth quarter of 2020 due to decreases in mortgage banking operations of $4.2 million, as well as a $0.5 million reduction in community banking and holding company expenses.

Nonperforming assets were $1.7 million at December 31, 2021, and $2.6 million at December 31, 2020. The ratio of nonperforming assets-to-total-assets was 0.16% at December 31, 2021 and 0.24% at December 31, 2020. The Company released $350 thousand of its allowance for credit losses in the 2021 fourth quarter, a decrease of $620 thousand compared to a $270 thousand provision for credit losses in the fourth quarter of 2020. The allowance for credit losses decreased to 1.75% of loans held for investment (excluding $11.9 million of PPP loans) at December 31, 2021, compared to 1.98% at December 31, 2020. The Company continues to monitor key industry data and will prudently adjust its allowance for credit losses as appropriate.

Tangible book value per common share at December 31, 2021, was $32.35, compared to $33.39 at December 31, 2020. The Company's tangible common equity capital ratio was 10.98% at December 31, 2021, compared to 11.01% at December 31, 2020.

BNC maintains a capital management philosophy of returning capital to shareholders in excess of what is invested to maintain its business or retained as a capital reserve and liquidity buffer for the Company. During 2021, the Company returned $14.00 per share in special cash dividends comprised of a special cash dividend of $6.00 per share paid on December 15, 2021 and a special cash dividend of $8.00 per share paid on February 1, 2021. These special dividends demonstrate management's continuing confidence in the organization's financial strength.

Total assets were $1.0 billion at December 31, 2021, compared to $1.1 billion at December 31, 2020. Total deposits were $906.7 million at December 31, 2021, compared to $853.2 million at December 31, 2020.

Management Commentary

"We are pleased with the performance, progress and health of BNC. We delivered solid results in the fourth quarter as we focused on core banking activities and our successful transition from mortgage refinancing activity to purchase mortgage loan originations," said Daniel J. Collins, BNC's President and Chief Executive Officer. "To reiterate, we saw unprecedented levels of mortgage refinance activity and margins in 2020 that drove record results in our mortgage business, which makes year-over-year comparisons challenging. As the industry returned to more normalized mortgage origination and margin levels in 2021, we successfully transitioned from mortgage refinancing to purchase loan origination activity."

Collins continued, "We've successfully navigated from a period of unmatched uncertainty and volatility, with a keen focus on doing what we're good at: cultivating community banking relationships, maintaining sensible lending practices and continuing to enhance our strong, stable and forward-looking marketplace position. These activities helped drive a $27.5 million second half increase in loans held for investment excluding PPP loans. We also released $350 thousand from our allowance for credit losses. And importantly, we've successfully helped customers navigate the PPP forgiveness process – with just $11.9 million of PPP loans remaining as of December 31, 2021.

"We continue to see momentum among businesses and communities that we serve is creating opportunities for loan growth. Our superior customer service and support give us confidence in our ability to meet this need with a broad range of financial products and services.

"As we enter 2022, our organization remains committed to improving financial and operational performance. We're supported by BNC's strong balance sheet, and our ability to exercise fiscal prudence while maximizing opportunity."

2021 Versus 2020 Fourth Quarter Comparison

Net interest income for the fourth quarter of 2021 was $7.4 million, a decrease of $1.1 million, or 13.5%, from $8.5 million in the fourth quarter of 2020. The decrease primarily reflected lower loan balances and yields, and accretion of PPP fees partially offset by higher interest-bearing cash and debt securities, lower cost of deposits, and a reduction in certificates of deposit. PPP fees were $471 thousand in fourth quarter of 2021 compared to $926 thousand in the fourth quarter of 2020. Net interest margin decreased to 2.88% in the 2021 fourth quarter, compared to 3.42% in the year-earlier period.

Fourth quarter interest income decreased $1.4 million, or 15.7%, to $7.8 million in 2021, compared to $9.2 million in the fourth quarter of 2020. The decrease is the result of lower loan balances, primarily lower balances of loans held for sale and PPP loans, in addition to lower yields on loans held for investment. The yield on average interest-earning assets was 3.04% in the fourth quarter of 2021, compared to 3.70% in the 2020 fourth quarter.

The average balance of interest-earning assets in the 2021 fourth quarter increased by $24.1 million versus the same period of 2020, primarily due to $192.4 million and $24.1 million increases in interest-bearing cash and debt securities, respectively, more than offset by decreases in average loans held for sale and loans held for investment including PPP loans. Interest income for loans held for investment decreased $866 thousand. The average balance of loans held for investment decreased by $60.0 million with PPP loans accounting for $45.9 million of the decrease. The average balance of mortgage loans held for sale was $80.6 million, $131.9 million lower than the same period of 2020. Interest income from loans held for sale decreased $777 thousand due to lower average balances. The average balance of debt securities in the fourth quarter of 2021 was $211.6 million, $24.1 million higher than in the fourth quarter of 2020. Interest income from debt securities was $114 thousand higher compared to the same period of 2020.

Interest expense in the fourth quarter of 2021 was $410 thousand, a decrease of $306 thousand, or 42.7%, from the 2020 period. The cost of interest-bearing liabilities was 0.22% during the quarter, compared to 0.39% in the same period of 2020. The cost of core deposits in the fourth quarters of 2021 and 2020 was 0.15% and 0.29%, respectively.

At December 31, 2021, credit metrics remained stable with $1.7 million of nonperforming assets, representing a 0.16% nonperforming assets-to-total-asset ratio, compared to $2.6 million and 0.24% at December 31, 2020. During the fourth quarter of 2021, the Company recorded a charge-off of $877 thousand previously included in its allowance for credit losses on a nonperforming loan. The Company also released $350 thousand of its allowance for credit losses in the fourth quarter of 2021, compared to a $270 thousand provision recorded in the fourth quarter of 2020.

Non-interest income for the fourth quarter of 2021 was $7.7 million, compared to $23.6 million in the 2020 fourth quarter. The decrease was driven by mortgage banking revenues of $5.7 million in the fourth quarter of 2021, versus $22.3 million in the prior-year period. As previously stated, the Company's mortgage business managed through a cyclical transition to a lower level of originations compared to the historically high level of refinance activity and margins in the prior-year period. In the fourth quarter of 2021, BNC funded 1,147 mortgage loans with combined balances of $420.5 million, compared to 2,398 mortgage loans with combined balances of $856.5 million in the fourth quarter of 2020. Wealth management revenues increased $74 thousand, or 15.6%, as assets under administration increased relative to the 2020 period. The sale of SBA loans resulted in gains on sales of loans of $389 thousand in the fourth quarter of 2021 and the Company received profit distributions from SBIC investments of $172 thousand.

Non-interest expense for the fourth quarter of 2021 decreased $4.7 million, or 29.5%, to $11.3 million, from $16.0 million in the fourth quarter of 2020. Non-interest expenses related to lower mortgage operations activity decreased by $4.2 million, or 43.7%, as management adjusted the scale of operations based on the marketplace opportunity. Full-time equivalent employees related to mortgage operations were 139 at December 31, 2021, compared to 166 at December 31, 2020. Combined expenses for community banking and the holding company decreased by $527 thousand, or 8.2%, compared to the 2020 period primarily due to reduced severance and legal expense and an impairment charge on property recorded in the 2020 period.

In the fourth quarter of 2021, income tax expense was $864 thousand, compared to $3.4 million in the fourth quarter of 2020. The effective tax rate was 20.8% in the fourth quarter of 2021, compared to 21.6% in the same period of 2020.

Net income was $3.3 million, or $0.92 per diluted share, in the fourth quarter of 2021, versus $12.4 million, or $3.49 per diluted share, in the fourth quarter of 2020.

2021 Versus 2020 Year-End Comparison

Net interest income in 2021 was $31.3 million, a decrease of $988 thousand, or 3.1%, from $32.3 million in 2020. Net interest income decreased as the impact of lower balances and yields on loans and debt securities was partially offset by accretion of PPP fees, higher balances of interest-bearing cash, reduced cost of deposits and borrowings and reduced certificates of deposit balances. PPP fees were $3.5 million in 2021 compared to $2.4 million in 2020. Net interest margin decreased to 3.02% in 2021, compared to 3.27% in 2020.

Interest income decreased $3.0 million, or 8.5%, to $33.5 million in 2021, compared to $36.5 million in 2020. The decrease is the result of the impact of lower average balances and yields of loans and debt securities offset by an increase in PPP fees and balances of interest-bearing cash. The yield on average interest-earning assets was 3.22% in 2021, compared to 3.70% in 2020. Interest expense in 2021 was $2.1 million, a decrease of $2.1 million, or 49.6%, from the 2020 period. The cost of interest-bearing liabilities was 0.28% in 2021 compared to 0.56% in the same period of 2020. The cost of core deposits in 2021 and 2020 was 0.20% and 0.43%, respectively.

The average balance of interest-earning assets in 2021 increased by $49.6 million versus the same period of 2020, primarily due to an increase in interest-bearing cash offset by decreased average debt securities, loans held for sale and loans held for investment. The average balance of loans held for investment decreased by $19.5 million, driven by customer liquidity and the sale of the Company's Golden Valley, Minnesota branch. PPP loan fees increased $1.1 million during 2021, compared to the same period in 2020. The average balance of mortgage loans held for sale was $124.9 million during 2021, $38.8 million lower than the same period of 2020. Interest income from loans held for sale decreased $1.4 million due to the lower average balance and average yield. The average balance of debt securities in 2021 was $188.9 million, $19.1 million lower than in 2020. Combined with lower average yields, this resulted in a $1.1 million decrease in interest income.

Credit metrics remained stable with $1.7 million of nonperforming assets, representing a 0.16% nonperforming assets-to-total-assets ratio at December 31, 2021 compared to a 0.24% at December 31, 2020. The Company released $350 thousand of its allowance for credit losses in 2021, compared to a $2.7 million provision recorded in 2020.

Non-interest income for 2021 was $44.7 million, compared to $86.0 million in 2020. Mortgage banking revenues were $37.8 million in 2021, compared to $79.9 million in 2020. The decrease was largely due to lower originations and margins, relative to the historically high production and margins of the prior year, and the decrease in the mortgage pipeline during 2021 as refinance activity decreased and production shifted to home purchase originations. In the 2021, BNC funded 6,448 mortgage loans with combined balances of $2.4 billion, compared to 8,172 mortgage loans with combined balances of $2.9 billion in the 2020 period.

Wealth management revenues increased $411 thousand, or 22.9%, as assets under administration increased relative to the 2020 period. There were no gains on sales of debt securities in the 2021 period, compared to gains of $1.1 million in 2020. The sale of SBA loans resulted in gains on sales of loans of $660 thousand in 2021 compared to $99 thousand in the 2020 period. Other non-interest income increased $1.0 million as the Company recorded a gain on the sale of its Golden Valley, Minnesota, branch of $589 thousand during 2021 and received Small Business Investment Company (SBIC) profit distributions of $289 thousand. Gains on sales of assets and distributions from SBIC's can vary significantly from period to period.

Non-interest expense in 2021 decreased $9.5 million, or 16.6%, to $47.6 million, from $57.1 million in 2020. Non-interest expenses related to mortgage operations decreased by $5.6 million while combined expenses for the community banking and holding company segments decreased by $3.8 million, or 14.5%, compared to the 2020 period.

In 2021, income tax expense was $6.8 million, compared to $13.9 million in 2020. The effective tax rate was 23.5% in 2021, compared to 23.7% in the same period of 2020.

Net income was $22.0 million, or $6.15 per diluted share, in 2021, versus $44.6 million, or $12.52 per diluted share in 2020.

Assets and Liabilities

Total assets were $1.0 billion at December 31, 2021, and $1.1 billion at December 31, 2020.

Total loans held for investment were $529.8 million at December 31, 2021. PPP loan balances, included in loans held for investment, were $11.9 million at December 31, 2021. The Company continues to actively assist its customers in successfully navigating the PPP forgiveness process. Loans held for sale at December 31, 2021, were $80.9 million, a decrease of $169.2 million when compared to December 31, 2020. Debt securities increased $25.3 million from year-end 2020 while cash and cash equivalent balances totaled $188.1 million at December 31, 2021, compared to $12.4 million at December 31, 2020.

Total deposits increased $53.5 million to $906.7 million at December 31, 2021, from $853.2 million at December 31, 2020. Deposit growth has been supported by the maintenance of customer liquidity, offset by a reduction of certificates of deposit.

At December 31, 2021, there were no FHLB advances outstanding, compared to $30.9 million at December 31, 2020.

Trust assets under administration increased 6.5%, or $24.9 million, to $409.5 million at December 31, 2021, from $384.6 million at December 31, 2020.

Asset Quality

The allowance for credit losses was $9.1 million at December 31, 2021, and $10.3 million at December 31, 2020. The allowance as a percentage of loans held for investment at December 31, 2021, decreased to 1.71% from 1.81% at December 31, 2020. Excluding $11.9 million of PPP loans, which are 100% guaranteed by the SBA, the allowance for credit losses as a percentage of loans held for investment at December 31, 2021, decreased to 1.75% compared to 1.98% at December 31, 2020. As previously stated, during the fourth quarter of 2021, the Company recorded a charge-off of $877 thousand previously included in its allowance for credit losses on a nonperforming loan.

Nonperforming assets, consisting of loans, were $1.7 million at December 31, 2021, and $2.6 million at December 31, 2020. The ratio of nonperforming assets-to-total-assets was 0.16% at December 31, 2021, and 0.24% at December 31, 2020. The Company did not hold any other real estate owned and held $17 thousand in repossessed assets at December 31, 2021. The Company did not hold any other real estate owned or repossessed assets at December 31, 2020.

At December 31, 2021, BNC had $8.5 million of classified loans and $1.7 million of loans on non-accrual. At December 31, 2020, BNC had $7.3 million of classified loans and $2.6 million of loans on non-accrual. BNC had $6.5 million of potentially problematic loans, which are risk rated “watch list”, at December 31, 2021, compared with $9.1 million as of December 31, 2020.

The Company continues to monitor the effects of the pandemic and its potential impact on customers. BNC considers the pandemic, along with other factors, when monitoring the performance of its loan portfolio and adjusting its allowance for credit losses.

BNC's loans held for investment are concentrated geographically in North Dakota and Arizona which comprise 62% and 24% of the Company's total loan portfolio, respectively. The North Dakota economy is influenced by the energy and agriculture industries. Energy supply and demand factors have recently increased oil prices, benefiting the oil industry and ancillary services. Legislation and economic conditions remain potential risks to energy markets and production activity and can present potential challenges to credit quality in North Dakota. Drought conditions were the primary risk factor in the North Dakota agriculture industry during the 2021 operating year and continue as we enter 2022. North Dakota livestock and grain operators face challenges that require close monitoring and could have an adverse impact on the state overall. The Arizona economy is influenced by the leisure and travel industries. Positive trends in both industries have been noted, but an extended slowdown in these industries may negatively impact credit quality in Arizona. BNC's portfolio is constructed of various sized loans spread over a large number of industry sectors, although the Company manages meaningful concentrations of loans in hospitality and commercial real estate.

The following table approximates the Company's significant concentrations by industry, excluding PPP loans of $11.9 million, as of December 31, 2021 (in thousands):

Loans Held for Investment by Industry Sector	**December 31, 2021**		**December 31, 2020**	
Non-owner occupied commercial real estate – not otherwise categorized	$ 157,608	30 %	$ 143,361	28 %
Hotels	78,473	15	76,335	15
Consumer, not otherwise categorized	75,519	14	76,363	15
Healthcare and social assistance	36,531	7	37,632	7
Retail trade	35,173	7	26,129	5
Agriculture, forestry, fishing and hunting	26,922	5	27,321	5
Transportation and warehousing	21,499	4	24,897	5
Non-hotel accommodation and food service	18,838	4	23,530	5
Other service	12,543	2	8,394	2
Construction contractors	11,458	2	12,235	2
Mining, oil and gas extraction	10,327	2	20,223	4
Arts, entertainment and recreation	5,936	1	7,279	1
Manufacturing	4,697	1	11,139	2
Real estate and rental and leasing support services	3,750	1	7,735	1
Professional, scientific, and technical services	3,738	1	4,408	1
Wholesale trade	3,325	1	2,255	0
Public administration	3,108	1	2,806	0
All other	8,060	2	8,505	2
Gross loans held for investment (excluding PPP loans)	$ 517,505	100 %	$ 520,547	100 %

The hospitality industry is still in the process of recovering from the economic effects of the COVID-19 pandemic with a primary focus on hotel occupancy and restaurant utilization trends. Hotel operators in

BNC's loan portfolio are reporting positive trends, and in some cases stronger balance sheets. Despite positive trends within hospitality, caution remains as labor shortages limit capacity in some cases, and government and financial institution support is expiring.

The lasting impact of the pandemic remains uncertain. Vaccination efforts and relaxed government restrictions appear to be having a positive impact on economic activity. Conversely, risks remain such as potential impacts of virus variants, supply chain issues across a broad scope of industries and employment challenges for small and mid-size businesses. The Company's loan portfolio and credit risk could still experience adversity from pandemic related risks, and this potential risk remains qualitatively captured in the Company's allowance for credit losses.

Capital

Banks and bank holding companies operate under separate regulatory capital requirements. At December 31, 2021, the Company's capital ratios exceeded all regulatory capital thresholds, including the capital conservation buffer.

A summary of BNC's capital ratios at December 31, 2021, and December 31, 2020, is presented below:

	December 31, 2021	December 31, 2020
BNCCORP, INC. (Consolidated)		
Tier 1 leverage	11.74%	11.74%
Common equity tier 1 risk based capital	16.54%	14.65%
Tier 1 risk based capital	18.77%	16.63%
Total risk based capital	20.02%	17.88%
Tangible common equity	10.98%	11.01%
BNC National Bank		
Tier 1 leverage	10.65%	10.92%
Common equity tier 1 risk based capital	17.02%	15.47%
Tier 1 risk based capital	17.02%	15.47%
Total risk based capital	18.27%	16.72%

The Common Equity Tier 1 ratio, which is generally a comparison of a bank's core equity capital to its total risk weighted assets, is a measure of the current risk profile of the Bank's asset base from a regulatory perspective. The Tier 1 leverage ratio, which is based on average assets, does not consider the mix of risk-weighted assets.

The Company routinely evaluates the sufficiency of its capital to ensure compliance with regulatory capital standards and to serve as a source of strength for the Bank. The Company manages capital by assessing the composition of capital and the amounts available for growth, risk, or other purposes.

About BNCCORP, INC.

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 and Arizona from 11 locations. BNC also conducts mortgage banking from 9 locations in Illinois, Kansas, Michigan, Arizona and North Dakota.

This news release may contain "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of BNC. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management are generally identifiable by the use of words such as “expect”, “believe”, “anticipate”, “at the present time”. “plan”, “optimistic”, “intend”, “estimate”, “may”, “will”, “would”, “could”, “should”, “future” and other expressions relating to future periods. Examples of forward-looking statements include, among others, statements we make regarding our expectations regarding future market conditions and our ability to capture opportunities and pursue growth strategies, our expected operating results such as revenue growth and earnings and our expectations of the effects of the regulatory environment or current or future pandemics 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 pandemics, the impact of current and future regulation; the risks of loans and investments, including dependence on local and regional economic conditions; competition for our customers from other providers of financial services; possible adverse effects of changes in interest rates, including the effects of such changes on mortgage banking revenues and derivative contracts and associated accounting consequences; risks associated with our acquisition and growth strategies; and other risks which are difficult to predict and many of which are beyond our control. In addition, all statements in this news release, including forward-looking statements, speak only of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

This press release contains references to financial measures, which are not defined in GAAP. Such non-GAAP financial measures include tangible common equity to total period end assets ratio. These non-GAAP financial measures have been included as the Company believes they are helpful for investors to analyze and evaluate the Company's financial condition.

(Financial tables attached)

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BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except per share data)	For the Quarter Ended December 31, 2021	For the Quarter Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
SELECTED INCOME STATEMENT DATA				
Interest income	$ 7,785	$ 9,238	$ 33,457	$ 36,546
Interest expense	410	716	2,137	4,238
Net interest income	7,375	8,522	31,320	32,308
(Reduction) provision for credit losses	(350)	270	(350)	2,670
Non-interest income	7,725	23,636	44,683	85,954
Non-interest expense	11,291	16,006	47,647	57,107
Income before income taxes	4,159	15,882	28,706	58,485
Income tax expense	864	3,433	6,751	13,871
Net income	$ 3,295	$ 12,449	$ 21,955	$ 44,614
EARNINGS PER SHARE DATA				
Basic earnings per common share	$ 0.92	$ 3.49	$ 6.15	$ 12.52
Diluted earnings per common share	$ 0.92	$ 3.49	$ 6.15	$ 12.52

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands, except share data)	For the Quarter Ended December 31, 2021	For the Quarter Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
ANALYSIS OF NON-INTEREST INCOME				
Bank charges and service fees	$ 631	$ 581	$ 2,328	$ 2,342
Wealth management revenues	549	475	2,205	1,794
Mortgage banking revenues	5,671	22,261	37,767	79,888
Gains on sales of loans, net	389	-	660	99
Gains on sales of debt securities, net	-	-	-	1,128
Other	485	319	1,723	703
Total non-interest income	$ 7,725	$ 23,636	$ 44,683	$ 85,954
ANALYSIS OF NON-INTEREST EXPENSE				
Salaries and employee benefits	$ 5,991	$ 7,704	$ 25,161	$ 29,204
Professional services	1,171	2,420	5,736	7,680
Data processing fees	1,187	1,306	4,561	4,829
Marketing and promotion	931	1,475	4,158	5,442
Occupancy	543	572	2,164	2,152
Regulatory costs	123	116	475	298
Depreciation and amortization	313	338	1,269	1,404
Office supplies and postage	106	131	461	492
Other	926	1,944	3,662	5,606
Total non-interest expense	$ 11,291	$ 16,006	$ 47,647	$ 57,107
WEIGHTED AVERAGE SHARES				
Common shares outstanding (a)	3,570,875	3,568,067	3,568,579	3,563,203
Dilutive effect of share-based compensation	613	264	555	1,580
Adjusted weighted average shares (b)	3,571,488	3,568,331	3,569,134	3,564,783

(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, 2021	As of September 30, 2021	As of December 31, 2020
SELECTED BALANCE SHEET DATA			
Total assets	$ 1,047,372	$ 1,069,691	$ 1,074,131
Loans held for sale-mortgage banking	80,923	103,171	250,083
Loans held for investment	529,793	530,702	570,890
Total loans	610,716	633,873	820,973
Allowance for credit losses	(9,080)	(10,249)	(10,324)
Cash and cash equivalents	188,060	187,189	12,443
Debt securities available for sale	208,978	207,044	183,717
Earning assets	991,451	1,013,183	999,473
Total deposits	906,668	908,388	853,158
Core deposits (1)	906,668	908,539	859,543
Other borrowings	15,001	15,153	52,289
Dividends payable	-	-	28,680
OTHER SELECTED DATA			
Net unrealized gains in accumulated other comprehensive income	$ 3,154	$ 4,970	$ 7,182
Trust assets under administration	409,471	410,913	384,588
Total common stockholders' equity	114,986	134,937	118,229
Tangible book value per common share (2)	32.35	37.96	33.39
Tangible book value per common share excluding accumulated other comprehensive income, net	31.46	36.56	31.36
Full time equivalent employees	281	284	319
Common shares outstanding	3,554,983	3,554,983	3,540,522
CAPITAL RATIOS			
Tier 1 leverage (Consolidated)	11.74%	13.43%	11.74%
Common equity Tier 1 risk-based capital (Consolidated)	16.54%	19.56%	14.65%
Tier 1 risk-based capital (Consolidated)	18.77%	21.82%	16.63%
Total risk-based capital (Consolidated)	20.02%	23.07%	17.88%
Tangible common equity (Consolidated)	10.98%	12.61%	11.01%
Tier 1 leverage (Bank)	10.65%	10.33%	10.92%
Common equity Tier 1 risk-based capital (Bank)	17.02%	16.79%	15.47%
Tier 1 risk-based capital (Bank)	17.02%	16.79%	15.47%
Total risk-based capital (Bank)	18.27%	18.04%	16.72%
Tangible common equity (Bank)	11.30%	10.91%	11.62%

(1) Core deposits consist of all deposits and repurchase agreements with customers.
(2) Tangible book value per common share is equal to book value per common share.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended December 31, 2021	For the Quarter Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
AVERAGE BALANCES				
Total assets	$ 1,073,835	$ 1,065,260	$ 1,098,422	$ 1,059,114
Loans held for sale-mortgage banking	80,590	212,443	124,897	163,692
Loans and leases held for investment	526,359	586,400	553,493	573,040
Total loans	606,949	798,843	678,390	736,732
Cash and cash equivalents	214,695	20,717	186,596	57,256
Debt securities available for sale	211,644	187,555	188,873	207,969
Earning assets	1,016,347	992,289	1,037,425	987,783
Total deposits	915,057	866,596	934,427	891,938
Core deposits	915,303	873,147	936,368	898,420
Total equity	121,670	139,611	128,557	120,297
KEY RATIOS				
Return on average common stockholders' equity (a)	11.12%	37.49%	17.87%	38.84%
Return on average assets (b)	1.22%	4.65%	2.00%	4.21%
Net interest margin	2.88%	3.42%	3.02%	3.27%
Efficiency ratio (Consolidated)	74.77%	49.77%	62.69%	48.29%
Efficiency ratio (Bank)	73.51%	49.15%	61.83%	46.93%

(a) Return on average common stockholders' equity is calculated by using net income as the numerator and average common equity (less accumulated other comprehensive income (loss)) as the denominator.
(b) Return on average assets is calculated by using net income as the numerator and average total assets as the denominator.

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	As of December 31, 2021	As of September 30, 2021	As of December 31, 2020
ASSET QUALITY			
Loans 90 days or more delinquent and accruing interest	$ -	$ 1	$ 1
Non-accrual loans	1,673	2,521	2,611
Total nonperforming loans	$ 1,673	$ 2,522	$ 2,612
Repossessed assets, net	17	-	-
Total nonperforming assets	$ 1,690	$ 2,522	$ 2,612
Allowance for credit losses	$ 9,080	$ 10,249	$ 10,324
Troubled debt restructured loans	$ 1,029	$ 1,920	$ 1,966
Ratio of total nonperforming loans to total loans	0.27%	0.40%	0.32%
Ratio of total nonperforming assets to total assets	0.16%	0.24%	0.24%
Ratio of nonperforming loans to total assets	0.16%	0.24%	0.24%
Ratio of allowance for credit losses to loans held for investment	1.71%	1.93%	1.81%
Ratio of allowance for credit losses to total loans	1.49%	1.62%	1.26%
Ratio of allowance for credit losses to nonperforming loans	543%	406%	395%

(In thousands)	For the Quarter Ended December 31, 2021	For the Quarter Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
Changes in Nonperforming Loans:				
Balance, beginning of period	$ 2,522	$ 3,708	$ 2,612	$ 2,033
Additions to nonperforming	85	7	239	2,535
Charge-offs	(886)	-	(1,014)	(235)
Reclassified back to performing	-	-	-	(349)
Principal payments received	(31)	(1,103)	(147)	(1,367)
Transferred to repossessed assets	(17)	-	(17)	(5)
Balance, end of period	$ 1,673	$ 2,612	$ 1,673	$ 2,612

BNCCORP, INC.
CONSOLIDATED FINANCIAL DATA
(Unaudited)

(In thousands)	For the Quarter Ended December 31, 2021	For the Quarter Ended December 31, 2020	For the Twelve Months Ended December 31, 2021	For the Twelve Months Ended December 31, 2020
Changes in Allowance for Credit Losses:				
Balance, beginning of period	$ 10,249	$ 10,005	$ 10,324	$ 8,141
(Reduction) provision	(350)	270	(350)	2,670
Loans charged off	(890)	(23)	(1,009)	(579)
Loan recoveries	71	72	115	92
Balance, end of period	$ 9,080	$ 10,324	$ 9,080	$ 10,324
Ratio of net (charge-offs) recoveries to average total loans	(0.135)%	0.006%	(0.132)%	(0.066)%
Ratio of net (charge-offs) recoveries to average total loans, annualized	(0.540)%	0.025%	(0.132)%	(0.066)%

(In thousands)	As of December 31, 2021	As of September 30, 2021	As of December 31, 2020
CREDIT CONCENTRATIONS			
North Dakota			
Commercial and industrial	$ 44,225	$ 40,470	$ 48,745
Construction	8,815	5,736	4,355
Agricultural	26,279	30,663	26,899
Land and land development	15,475	6,581	5,676
Owner-occupied commercial real estate	35,781	36,376	37,185
Commercial real estate	104,889	103,844	100,456
Small business administration	25,232	22,279	36,111
Consumer	67,370	71,608	72,397
Subtotal gross loans held for investment	$ 328,066	$ 317,557	$ 331,824
Consolidated			
Commercial and industrial	$ 62,501	$ 56,454	$ 71,503
Construction	16,121	20,708	21,748
Agricultural	26,422	30,816	27,092
Land and land development	17,185	8,086	8,603
Owner-occupied commercial real estate	69,072	64,962	67,399
Commercial real estate	201,043	196,329	190,939
Small business administration	58,759	71,771	102,064
Consumer	78,297	81,536	81,783
Total gross loans held for investment	$ 529,400	$ 530,662	$ 571,131