



# BNCCORP

---

## NEWS RELEASE

---

FOR FURTHER INFORMATION:

WEBSITE: [www.bnccorp.com](http://www.bnccorp.com)

GREGORY K. CLEVELAND

TELEPHONE: (602) 852-3526

TIMOTHY J. FRANZ

TELEPHONE: (612) 305-2213

**BNCCORP, INC. ISSUES \$20.1 MILLION IN SENIOR PREFERRED SHARES UNDER  
U.S. TREASURY CAPITAL PURCHASE PROGRAM,  
FURTHER STRENGTHENING “WELL-CAPITALIZED” STATUS**

BISMARCK, ND, January 16, 2009 – BNCCORP, Inc. (BNC) (Pink Sheets: BNCC), which operates community banking and wealth management businesses in Arizona, Minnesota and North Dakota, and has mortgage banking offices in Iowa, Kansas and Missouri, today announced that it has raised \$20.1 million through an offering of non-voting senior preferred shares to the U.S. Treasury under the Capital Purchase Program. The Treasury Department also received warrants exchangeable for an additional class of BNCCORP, Inc. preferred shares which have a redemption value of \$1.0 million.

As demonstrated by its capital ratios, BNC is financially strong. The proceeds of the sale will further increase the Company’s capital ratios, which exceeded the regulatory requirements for “well-capitalized” institutions prior to the sale. As of September 30, 2008 (the latest date for which regulatory capital has been calculated) BNC National Bank exceeded “well capitalized” risk based regulatory requirements by \$22 million; the new preferred shares may increase the amount by which BNC National Bank exceeds “well capitalized” requirements by \$20 million.

Gregory K. Cleveland, President and Chief Executive Officer of BNCCORP, stated, “We are very pleased to be among the financially sound institutions selected by the U.S. Treasury to participate in the Capital Purchase Program. As responsible corporate citizens, we have been originating loans in our marketplace on a consistent basis. We look forward to deploying this additional capital to support future lending activities, both for existing bank customers and creditworthy new borrowers who may lack access to credit due to the present challenging market environment.”

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, mortgage banking and wealth management businesses in Arizona, Minnesota and North Dakota from 20 locations. BNC also conducts mortgage banking from 4 locations in Iowa, Kansas and Missouri.

This news release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, plans, objectives, future performance and business of BNC. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of our management and on information currently available to management are generally identifiable by the use of words such as “expect”, “believe”, “anticipate”, “plan”, “intend”, “estimate”, “may”, “will”, “would”, “could”, “should”, or other expressions. We caution readers that these forward-looking statements, including, without limitation, those relating to our future business prospects, revenues, working capital, liquidity, capital needs, interest costs and income, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements due to several important factors. These factors include, but are not limited to: risks of loans and investments, including dependence on local and regional economic conditions; competition for our customers from other providers of financial services; possible adverse effects of changes in interest rates, including the effects of such changes on derivative contracts and associated accounting consequences; risks associated with our acquisition and growth strategies; and other risks which are difficult to predict and many of which are beyond our control. In addition, all statements in this news release, including forward-looking statements, speak only of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.