



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Roger Johnson
Agriculture Commissioner

News Release

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For Immediate Release

Bank of North Dakota Reports a Solid Performance in 2002

BISMARCK - The Bank of North Dakota (BND) turned in a solid performance with net income of \$32.2 million in 2002. Despite economic doldrums and geopolitical uncertainty, BND exceeded its budgeted income target by nearly \$1 million and ended the year financially sound.

"Bank of North Dakota plays a significant role in our economic development and job creation efforts," Gov. Hoeven said. "The performance of the Bank is solid and income generated continues to be an important revenue source for the State."

Even though BND battled shrinking net interest margins and actual income was \$900,000 less than reported in 2001, its performance remained stable. The strong performance is attributed to increased fee income and tight expense control. The Bank experienced a return on average assets of 1.64 percent and return on equity of 18.7 percent. As the Bank continues to navigate through this challenging economic climate, BND remains unwavering in its commitment to provide quality programs and services, while generating revenue for the state of North Dakota.

"The Bank's total loan portfolio at year end was more than \$1.33 billion compared to \$1.27 billion in 2001," stated Attorney General Wayne Stenehjem. "The financing needs of many students, businesses, homeowners and farmers were addressed through the outstanding service provided by the Bank of North Dakota."

"The Bank's focus on implementing programs designed to add value to the state, assisting borrowers in their communities, and working with banking partners has made BND a strong force in providing opportunities throughout the State," said Agriculture Commissioner Roger Johnson. "These partnerships are key to meeting the Bank's mission of promoting agriculture, commerce and industry in North Dakota."

"BND's stability can be attributed to our attention to asset quality, improved productivity and creating quality programs that not only add value but generate new wealth in the state," said Eric Hardmeyer, BND President. "The progress made on the Bank's e-commerce project as we introduced BND Direct WEB and other programs in 2002 have also allowed the Bank to better serve its customers, which ensure that we are - Banking for a Brighter Future - Providing Value Today and Tomorrow."

As the only state-owned bank in the nation, the Bank of North Dakota is overseen by the Industrial Commission of North Dakota, consisting of Gov. John Hoeven as Chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Roger Johnson.

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Further Information: Peggy Anderson 701-328-5657

Karlene Fine, Executive Director & Secretary
State Capitol, 14th Floor - 600 E Boulevard Ave Dept 405 - Bismarck, ND 58505-0840
E-Mail: kfine@state.nd.us
PHONE: 701-328-3722 FAX: 701-328-2820
"Your Gateway to North Dakota": discovernd.com