BISMARCK – The state-owned Bank of North Dakota (BND) recorded its 15th consecutive year of record profits in 2018, with $159 million in net earnings, the Bank reported today in its annual report to the state Industrial Commission.

Total assets remained stable at $7 billion. BND ended the year with capital of $861 million, an increase of $37 million. The state’s return on its investment at the Bank was a healthy 18 percent.

The report’s theme, “ROI,” highlights the Bank’s returns to the state in its first 99 years. Since the initial investment of $2 million in 1919, BND has returned more than $1 billion to the state through the general fund, infrastructure, disaster relief and other special programs. That doesn’t account for the thousands of North Dakota residents who have benefited from its agricultural, business, home and student loans.

“Throughout its history, the Bank has identified and played a key role in solving the funding needs of the state,” said Gov. Doug Burgum. “Today, a strong leadership team works closely with stakeholders to ensure its programs are relevant and deliver results.”

In recent years, the Bank has been asked to administer the loan portfolio for programs created by the state Legislature. Prior to 2015, this was provided on a minimal basis, but in both 2017 and 2018, it totaled $962 million.

“Building schools, upgrading roads and improving health care facilities in our state are critical needs for our residents,” stated Attorney General Wayne Stenehjem. “Utilizing BND to administer loan programs provides excellent efficiency and allows the money to be readily available for the approved borrowers.”

Succession planning for family farms and ranches is a significant need in North Dakota.

“Changes made to the Beginning Farmer Real Estate, Beginning Farmer Chattel and Ag PACE programs are making it more affordable for the next generation to take over the family farm,” Agriculture Commissioner Doug Goehring said. “The Bank’s roots started with supporting the family farmer, and that is still an important focus today.”

The Bank’s lending portfolio shrunk by $325 million from 2017. This was primarily due to the strategic decision to sell the federal student loan portfolio and a portion of the home loan portfolio.

“The Bank continually reviews its programs to ensure they provide a positive impact for North Dakota,” stated Eric Hardmeyer, BND president. “We continue to refine programs and adjust to the ever-changing needs of our residents.”
The only state-owned bank in the nation, the Bank of North Dakota is overseen by the Industrial Commission, which consists of Burgum as chairman, Stenehjem and Goehring.

A complete copy of the 2018 Annual Report is available at www.bnd.nd.gov.

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