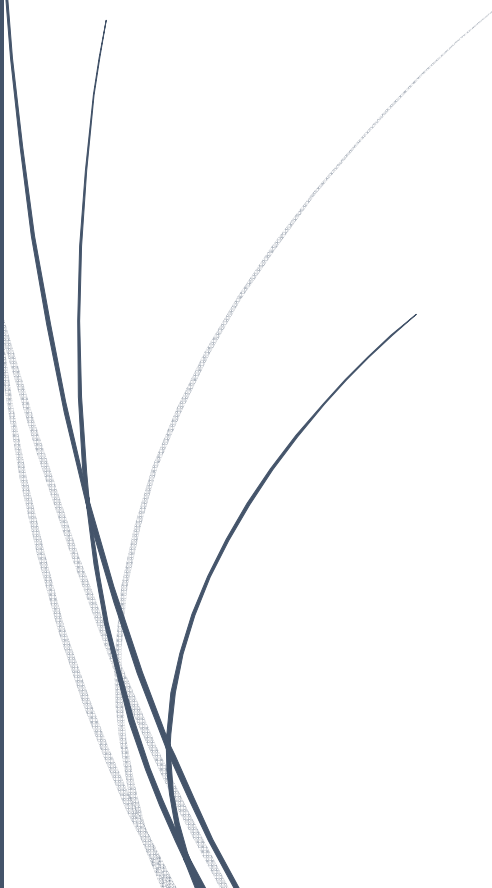


September 30, 2024



Bank *of* North Dakota

Performance Highlights



BANK OF NORTH DAKOTA
BALANCE SHEET - COMPARATIVE DATA
SEPTEMBER 30, 2024 - UNAUDITED

	(In Thousands)				
	9/30/2024	Budget	Difference	% Change	9/30/2023
Cash	\$ 139,549	\$ 314,965	\$ (175,416)	-55.69%	\$ 123,079
Due from Banks	258,397	225,000	33,397	14.84%	173,440
Federal funds sold	31,570	55,000	(23,430)	-42.60%	80,620
Securities	4,185,387	3,381,787	803,600	23.76%	3,884,193
Loans					
Commercial	3,970,109	4,062,724	(92,615)	-2.28%	3,452,992
Agriculture	773,571	720,331	53,240	7.39%	728,694
Residential	294,234	286,097	8,137	2.84%	323,997
Student Loans	1,030,613	1,031,072	(459)	-0.04%	1,078,226
	6,068,527	6,100,224	(31,697)	-0.52%	5,583,909
Less allow for credit loss	(106,465)	(100,240)	(6,225)	-6.21%	(99,075)
	5,962,062	5,999,984	(37,922)	-0.63%	5,484,834
Other assets	147,087	161,326	(14,239)	-8.83%	171,905
Total assets	\$ 10,724,052	\$ 10,138,062	\$ 585,990	5.78%	\$ 9,918,071
Deposits -					
Non-interest bearing	\$ 660,219	\$ 475,000	\$ 185,219	38.99%	\$ 632,336
Interest bearing	8,533,070	8,278,348	254,722	3.08%	8,068,605
	9,193,289	8,753,348	439,941	5.03%	8,700,941
Federal funds purchased and repurchase agreements	239,677	217,500	22,177	10.20%	177,095
Short term borrowings	-	-	-	0.00%	50,000
Off Balance Sheet Reserve Allowance	9,896	12,847	(2,951)	-22.97%	13,270
Other Liabilities	14,868	26,814	(11,946)	-44.55%	5,596
Total Liabilities	9,457,730	9,010,509	447,221	4.96%	8,946,902
Equity	1,266,322	1,127,553	138,769	12.31%	971,169
Total Liabilities and Equity	\$ 10,724,052	\$ 10,138,062	\$ 585,990	5.78%	\$ 9,918,071

BND's primary financial objective is to maintain the strength and integrity of the Bank while generating a consistent financial return to the State.

- Third quarter 2024 ended with assets of \$10.7 billion.
- The Securities portfolio is primarily a source of liquidity. As the Bank identifies excess funds and the portfolio runs off, maturities can be reinvested, utilized to fund new loans, or reduce short and long-term borrowings.
- The loan portfolio grew to nearly \$6.1 billion. The timing of funding in the State Institution loan program did not meet budget expectations in the Commercial Loan category. This was partially offset by increased volumes from budget in Commercial participation and Flex Pace programs. Activity in the Farm and Ranch program led the Ag Portfolio. Residential loan runoff continues to slow in 2024 due to the interest rate environment. The student loan portfolio continues to focus on state-sponsored DEAL loans.
- Changes in the Bank's Equity position are a result of net income, changes in unrealized gain/loss positions, allocations of capital to various legislative programs, and distributions to the State's General Fund. As of September 2024, the Bank has transferred \$20.0 million to the Statewide Interoperable Radio Network, \$20.5 million to buydown programs and \$2.8 million to other state programs. During 2023, the Bank transferred \$140 million to the General Fund, \$30.5 million to buydown programs, \$52 million to the infrastructure Revolving Loan fund and \$5.7 million to other state programs.

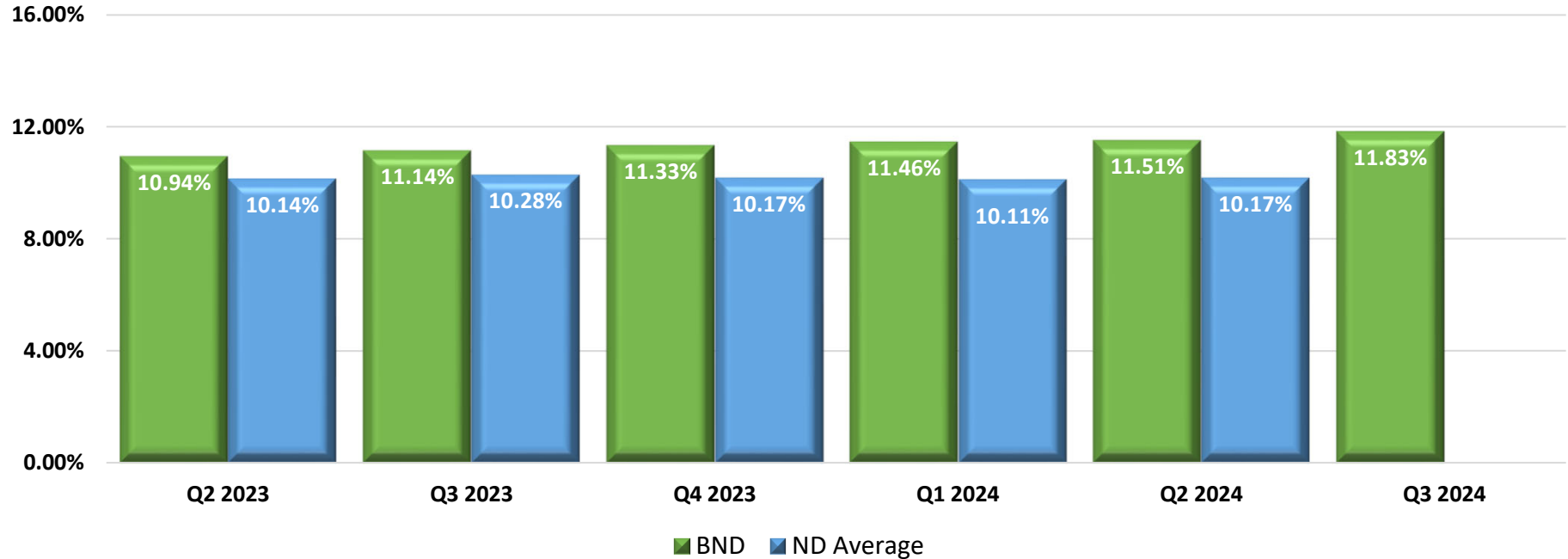
BANK OF NORTH DAKOTA
INCOME STATEMENT - COMPARATIVE DATA
SEPTEMBER 30, 2024 - UNAUDITED

	(In Thousands)				
	9/30/2024	Budget	Difference	% Change	9/30/2023
Interest Income	\$ 330,292	\$ 315,592	\$ 14,700	4.7%	\$ 266,347
Interest Expense	149,698	122,963	26,735	-21.7%	95,224
Net Interest Income	180,594	192,629	(12,035)	-6.2%	171,123
Provision for Credit Losses	8,169	8,400	(231)	2.8%	7,153
Net Interest Income After Provision	172,425	184,229	(11,804)	-6.4%	163,970
Non-Interest Income	6,598	5,179	1,419	27.4%	4,704
Non-Interest Expense					
Salaries and benefits	15,943	16,599	(656)	4.0%	14,301
Occupancy and equipment	613	652	(39)	6.0%	633
IT & System Costs	5,466	7,415	(1,949)	26.3%	5,340
Other Operating Expenses	5,142	6,055	(913)	15.1%	4,686
	27,164	30,721	(3,557)	11.6%	24,960
Net Income	\$ 151,859	\$ 158,687	\$ (6,828)	-4.3%	\$ 143,714

BND's primary financial objective is to maintain the strength and integrity of the Bank while generating a consistent financial return to the State.

- Year-to-Date net income as of September, was \$151.9 million.
- Interest income exceeded budget by \$14.7 million primarily due to higher rates and balances on securities as well as rates and volumes in the commercial participation program offset by lower than budgeted balances at the Federal Reserve.
- Interest expense reported higher than budget by \$26.7 million. Higher average deposit balances, rates and larger Federal funds purchased led to the increase.
- Non-Interest Expense is \$3.6 million under budget. This consists of several operating components largely due to timing of incurrences, specifically with IT projects, loan servicing expenses, legal and other service related expenses and hiring of approved FTEs.

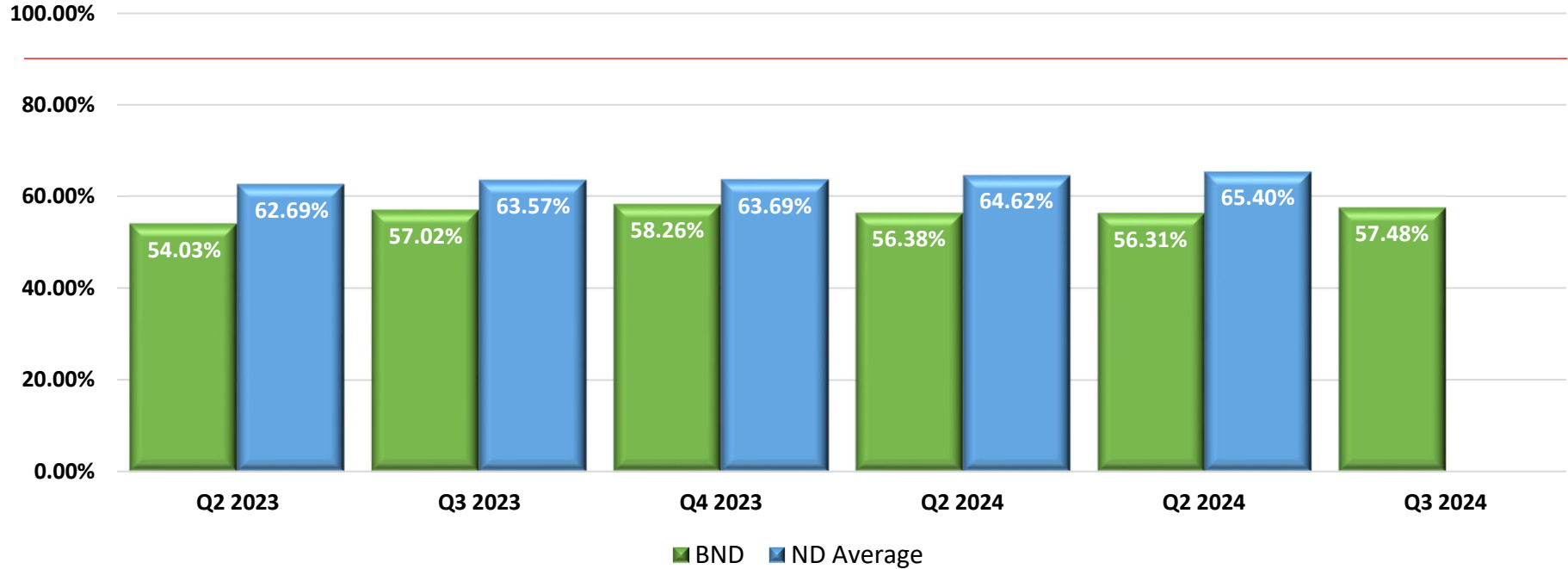
Leverage Ratio



- Leverage ratio is a measure of financial strength. It is calculated by dividing Tier One Capital by average assets for the quarter. As of September 30, 2024, average asset size is \$10.6 billion compared to \$10.0 billion one year ago. State dollars received from American Rescue Plan funding and increased state tax revenues in the state has attributed to the increased assets size over the last three years by providing liquidity to increase the security and loan portfolio. Tier One Capital is \$1.25 billion compared to \$1.1 billion last year. Fluctuating quarterly ratios are the result of the Bank’s quarterly earnings offset by capital transfers, including \$140 million to the General Fund, \$42.0 million to buydown programs, \$52 million to the infrastructure revolving loan fund, \$20 million to statewide interoperable radio network and \$8.1 million to other state programs in the last 6 quarters.
- As of September 30, 2024, the Bank’s leverage ratio increased to 11.83%.
- As of June 30, 2024, the leverage ratio for all insured commercial banks in the state is 10.17%.

The North Dakota average is obtained from the Federal Financial Institutions Examination Council (FFIEC) who tabulates input from commercial banks in North Dakota. *Note:* The North Dakota average for the current quarter has not yet been determined, as the FFIEC publishes this data approximately 60 days after the completion of each calendar quarter.

Net Loans to Earning Assets

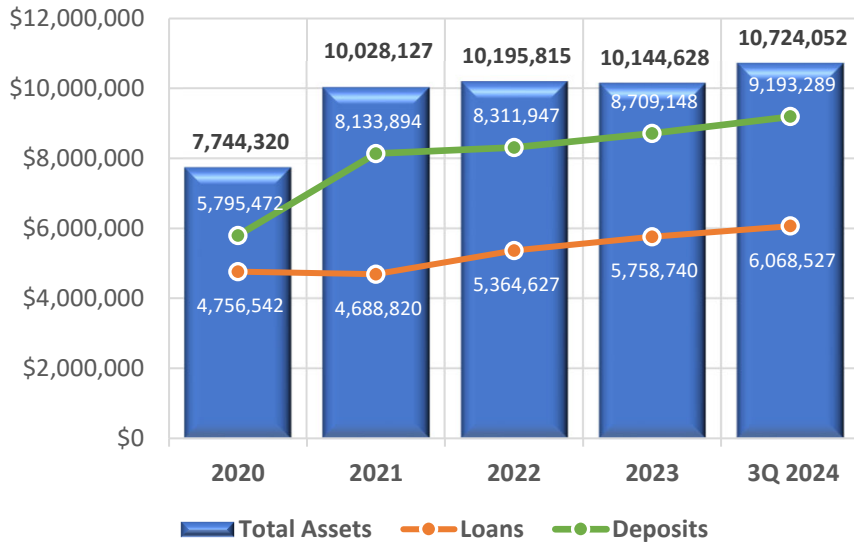


- Net Loans to Earning Assets is a ratio used to measure the liquidity of a financial institution.
- BND has established an internal guideline for the Net Loans to Earning Assets Ratio to be 90% or lower (red line).
- As shown above, BND is well within this limit at 57.48%, an increase from 56.31% as of the previous quarter.
- As of June 30, 2024, the ratio for all insured commercial banks in the state is 65.4%.

The North Dakota average is obtained from the Federal Financial Institutions Examination Council (FFIEC) who tabulates input from commercial banks in North Dakota. *Note:* The North Dakota average for the current quarter has not yet been determined, as the FFIEC publishes this data approximately 60 days after the completion of each calendar quarter.

Five-Year History

(In Thousands)



- The increase in asset and deposit size from 2020 to 2021 was primarily due to \$1.25 billion of Federal CARES ACT dollars, \$1.0 billion of American Rescue Plan funds and higher correspondent bank deposits related to government issued COVID-19 relief payments, and additional funds received by the state from increased oil and sales tax revenue.
- The Bank assets were \$10.7 billion for the third quarter of 2024. Adequate liquidity has allowed the Bank to continue to grow its loan portfolio and reinvest in its investment portfolio as securities mature.
- The loan portfolio has grown 28% from \$4.8 billion in 2020 to \$6.1 billion as of September 30, 2024, continuing the Bank's mission to deliver quality, sound financial services that promote agriculture, commerce, and industry in North Dakota.

Bank of North Dakota Peer Group Comparison

Bank of North Dakota Peer Group Comparison				
As of 06/30/2024	BND	Banker's Bank Peer Composite	ND Bank's Peer Composite	12 Largest ND Banks
NPLs/Loans	0.40	0.43	0.81	0.80
ROAA	1.93	0.90	0.80	0.81
ROAE	18.25	7.60	9.21	9.29
Tier 1 Lev. Capital	11.51	12.62	9.47	9.48
Net Interest Margin	2.37	2.20	2.45	2.69
Ave. Cost of Funds	2.05			2.59

Banker's Bank Peer Group

Banker's Bank
 First National Banker's Bank
 Pacific Coast Bankers' Bank
 TIB, National Association
 United Bankers Bank

ND Bank's Peer Group

Bell Bank
 First International Bank
 Alerus Financial
 Choice Financial Group

- BND established a peer group for the purpose of measuring performance. Though a pure-play peer group does not exist, BND selected five national banker's banks with assets greater than \$1.0 billion and four North Dakota banks with assets greater than \$3.0 billion.
- The Bank's profits are utilized in 3 ways: appropriated through the State Legislature to fund the General Fund, mission driven programs and retained in BND Capital. BND's ratios will fluctuate as the organization maintains a balance between adequate liquidity and capital while managing the volatility of its deposit base.
- If we assume BND had to compete in the market for deposits, had similar cost of funds and staffing requirements of its competitors, it is estimated the approximate impact to return on assets would be (0.71%) or a (\$71 million) impact to net income on \$10 billion in total assets.

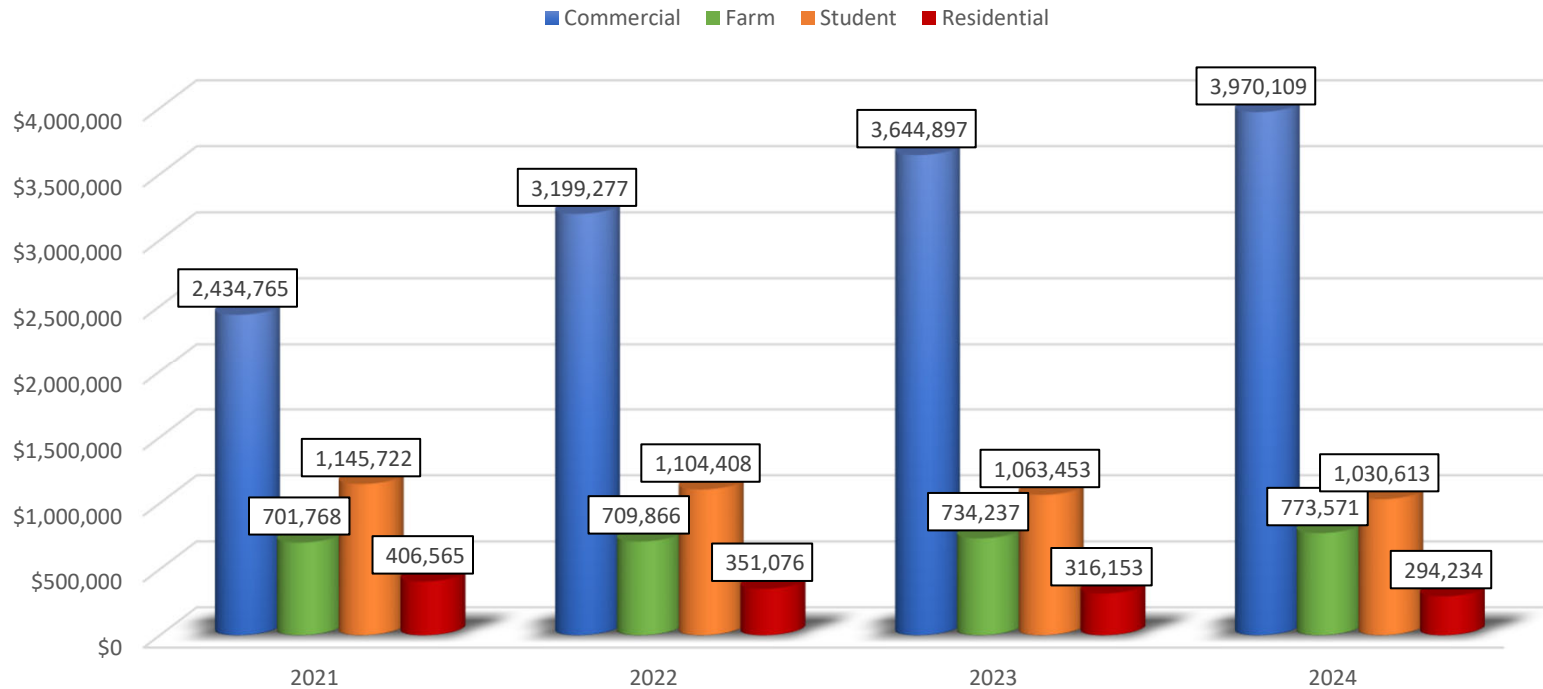
Loan Originations

(includes renewals)
Year to Date

	September 30, 2024		September 30, 2023		Variance	
	###	\$\$\$	###	\$\$\$	###	\$\$\$
Bank Participations - Commercial	200	868,637,440	170	840,779,595	30	27,857,845
State Institution	4	189,432,000	10	639,902,548	(6)	(450,470,548)
Bank Stock	16	149,327,989	38	66,722,674	(22)	82,605,315
Flex PACE	164	62,958,742	146	55,309,414	18	7,649,328
Match	1	60,000,000	0	0	1	60,000,000
PACE	6	34,308,625	6	13,981,710	0	20,326,915
Business Development	45	14,597,410	29	8,792,823	16	5,804,587
PACE w/ADD buydown	2	7,252,270	2	3,551,941	0	3,700,329
Biofuels PACE w/ADD buydown	1	5,765,357	2	3,400,000	(1)	2,365,357
COVID-19 PACE Recovery	2	5,522,933	0	0	2	5,522,933
Flex PACE w/ADD buydown	2	3,825,000	1	409,150	1	3,415,850
Bank Participations - Commercial w/ADD buydown	1	3,000,000	3	3,000,000	(2)	0
Accelerated Growth	2	2,250,000	1	2,997,000	1	(747,000)
Biofuels PACE	4	401,285	5	793,043	(1)	(391,758)
Affordable Housing Flex PACE	1	217,750	4	4,957,611	(3)	(4,739,861)
Small Business Administration	0	0	3	3,122,725	(3)	(3,122,725)
Total Commercial Loans	451	1,407,496,801	420	1,647,720,234	31	(240,223,433)
Farm & Ranch	113	146,147,443	86	106,987,188	27	39,160,255
Established Farmer	21	13,627,782	12	8,568,620	9	5,059,162
Beginning Farmer Real Estate	27	12,241,778	35	13,205,385	(8)	(963,607)
Ag Pace	79	7,465,219	52	4,572,694	27	2,892,525
Beginning Farmer Chattel	73	4,601,103	82	4,714,819	(9)	(113,716)
Farm Service Agency	7	3,155,653	2	1,692,500	5	1,463,153
Farm Operating	12	1,176,000	13	1,690,095	(1)	(514,095)
Family Farm	0	0	1	186,300	(1)	(186,300)
Farm Disaster/Drought Programs	0	0	161	16,005,118	(161)	(16,005,118)
Total Agricultural Loans	332	188,414,978	444	157,622,719	(112)	30,792,259
DEAL Loans	6,645	45,123,507	8,225	53,916,309	(1,580)	(8,792,802)
DEAL One	62	2,322,789	73	4,199,779	(11)	(1,876,990)
DEAL Consolidation	17	722,324	22	1,197,544	(5)	(475,220)
Purchased Student Loans	12	259,914	12	171,353	0	88,561
Total Student Loans	6,736	48,428,534	8,332	59,484,985	(1,596)	(11,056,451)
Total Bank of North Dakota Loans	7,519	1,644,340,313	9,196	1,864,827,938	(1,677)	(220,487,625)
Legislatively Directed Loan Programs						
Infrastructure RLF	14	89,028,000	27	110,089,346	(13)	(21,061,346)
School Construction	3	32,085,000	9	111,720,000	(6)	(79,635,000)
Clean Sustainable Energy	1	17,000,000	1	40,000,000	0	(23,000,000)
Fuel Production Facility/Value Add Guarantee	2	5,800,000	2	12,000,000	0	(6,200,000)
Legacy Investment Technology Loan Fund	11	5,632,600	5	3,000,000	6	2,632,600
Beginning Entrepreneur Loan Guarantee	28	1,947,151	30	2,414,775	(2)	(467,624)
Bulk Propane Storage Tank RLF	1	149,425	2	263,500	(1)	(114,075)
Department of Water Resources RLF	0	0	2	1,700,000	(2)	(1,700,000)
Innovation Loan Fund	0	0	6	5,000,000	(6)	(5,000,000)
Legislatively Directed	60	151,642,176	84	286,187,621	(24)	(134,545,445)

Consolidated Loan Portfolio

(In Thousands)



COMMERCIAL - The commercial loan portfolio increased by \$325 million YTD 2024 with BND funding and renewing \$1.4 billion of loans. The largest area of activity was in commercial participations with BND funding and renewing \$869 million. The commercial portfolio increased by 8.9% primarily due to commercial participations and state institution loans.

AGRICULTURE - The farm loan portfolio increased by \$39 million YTD 2024 with BND funding and renewing \$188 million of loans. Farm and Ranch loans led the way with \$146 million, followed by Established Farmer which funded \$14 million in loans.

STUDENT - The student loan portfolio decreased by \$33 million YTD 2024. BND disbursed \$48 million in DEAL loans in 2024.

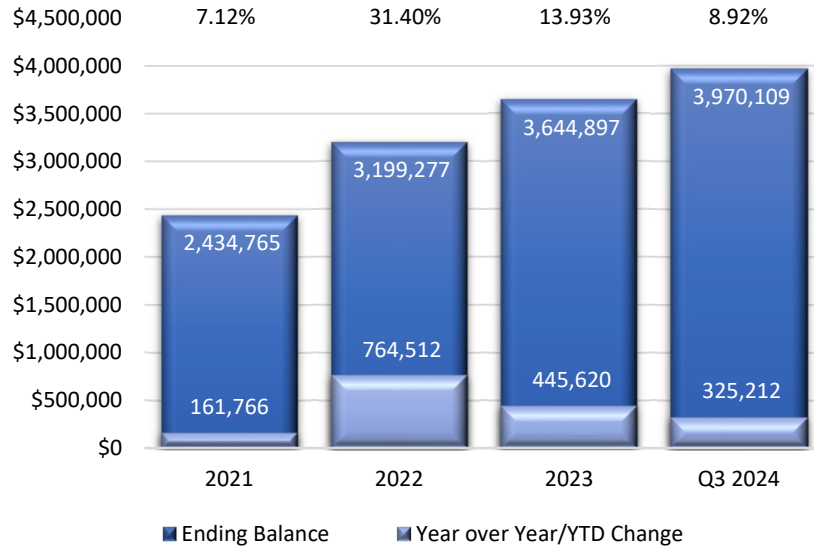
RESIDENTIAL - Transition of all residential originations to Housing Finance Agency occurred on August 1, 2021, and the transition of nearly all residential servicing and collections to Housing Finance Agency occurred on October 1, 2021. As a result, the residential loan portfolio decreased by \$112 million since year end 2021.

Commercial Loan Portfolio

(In Thousands)

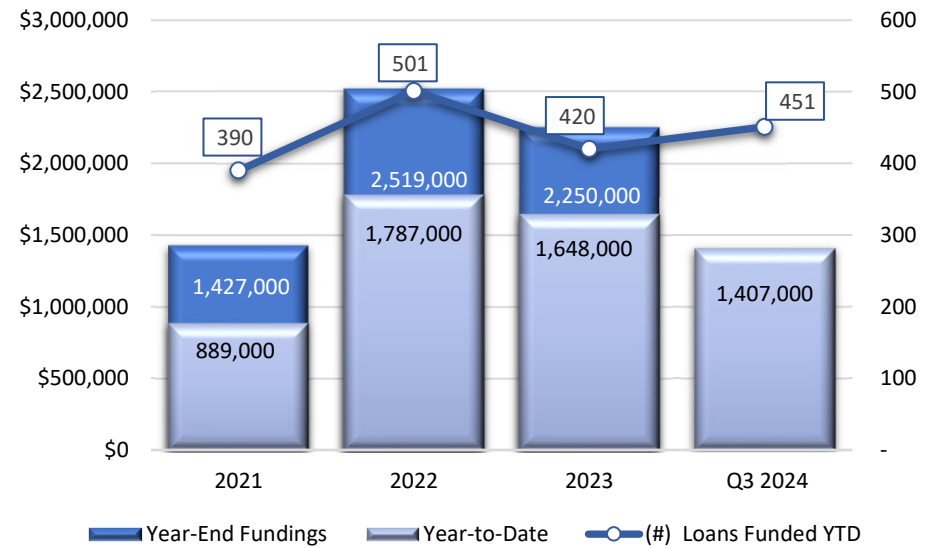
Total Commercial Portfolio

Year over Year/YTD Change



Loans Funded

Year-End & Year-to-Date



Portfolio Composition				
Loan Type	2021	2022	2023	2024
Bank Participation	52%	55%	60%	61%
PACE Loans	15%	13%	14%	14%
Bank Stock	14%	11%	11%	10%
State & Pol. Subs	8%	8%	4%	3%
Other	11%	13%	11%	12%

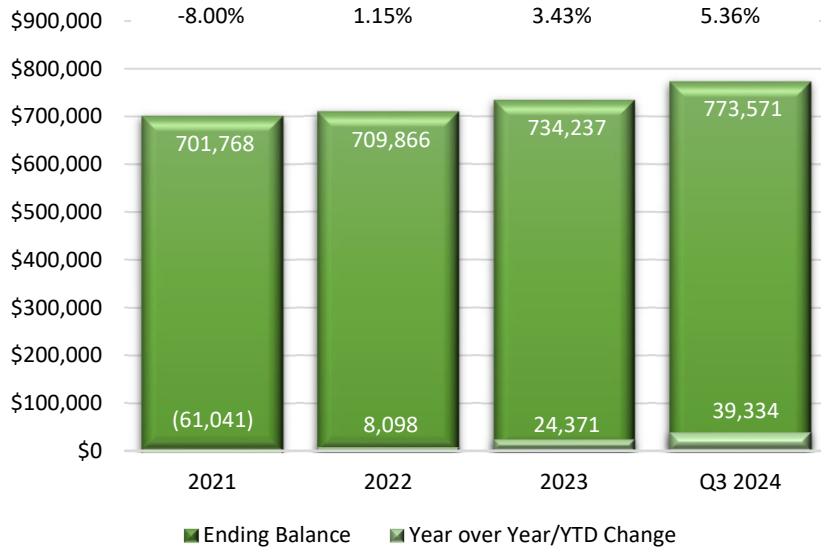
- The commercial loan portfolio increased by \$325 million with BND funding and renewing \$1.4 billion of loans YTD 2024.
- The largest areas of activity were in commercial participations funding and renewing \$869 million in loans and state institutions funding and renewing \$189 million.

Agriculture Loan Portfolio

(In Thousands)

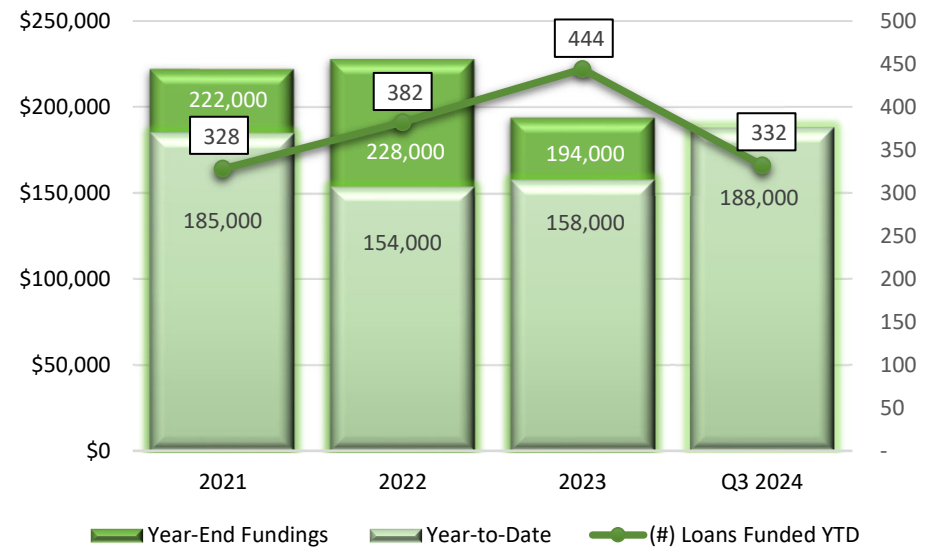
Total Agriculture Portfolio

Year over Year/ YTD Change



Loans Funded

Year-End & Year-to-Date



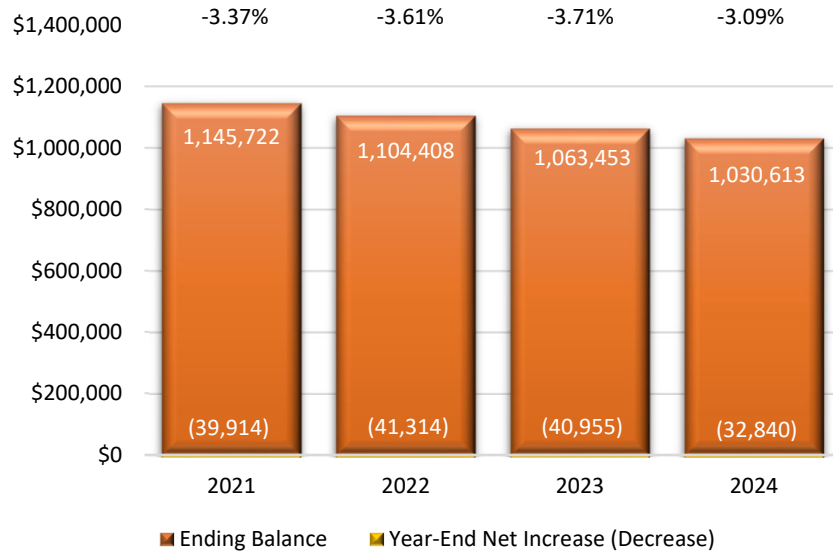
Portfolio Composition				
Loan Type	2021	2022	2023	2024
Farm & Ranch	18%	19%	23%	27%
Beginning Farmer	28%	32%	30%	27%
Established Farmer	28%	26%	25%	25%
Farm Financial Stability/Farm Disaster	19%	19%	13%	12%
Other	7%	4%	9%	9%

- The agriculture portfolio increased by \$39 million with BND funding and renewing \$188 million of loans YTD 2024.
- The largest areas of activity were Farm and Ranch loans with \$146 million and \$14 million in Established Farmer YTD 2024.

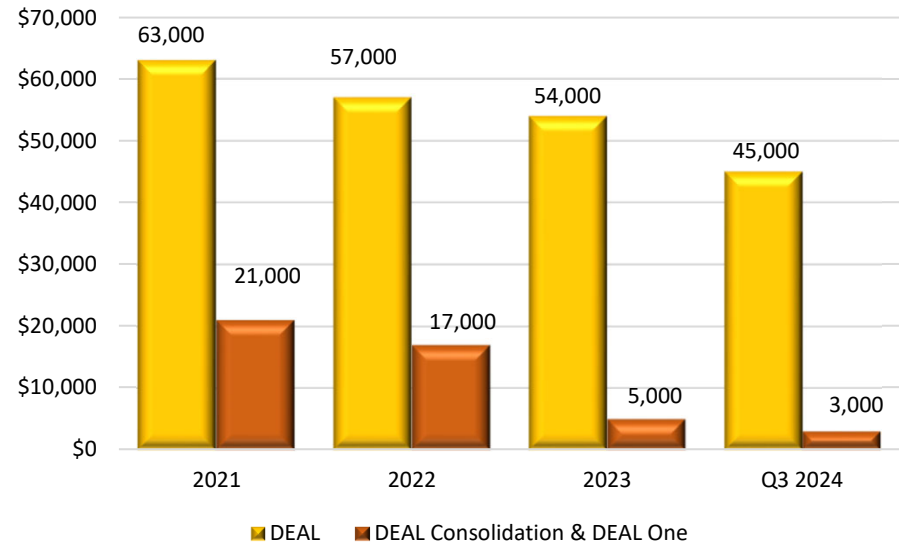
Student Loan Portfolio

(In Thousands)

Total Student Portfolio
Year over Year Increase (Decrease)



DEAL Loans Funded YTD



Portfolio Composition				
Loan Type	2021	2022	2023	2024
DEAL	54%	56%	57%	58%
DEAL One	41%	39%	38%	37%
DEAL Consolidation	5%	5%	5%	5%

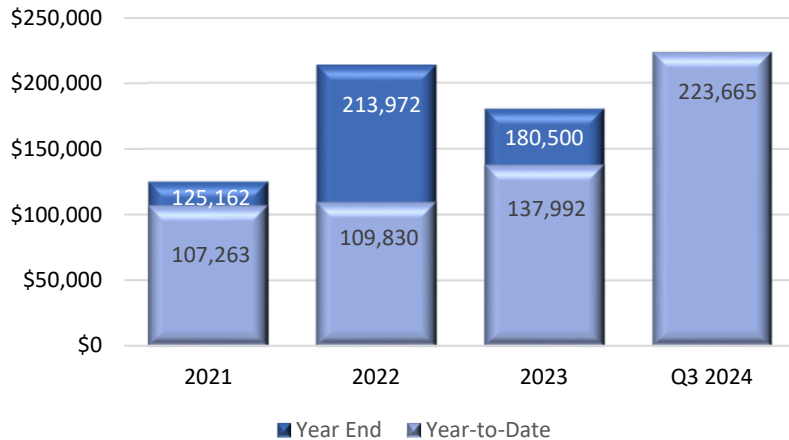
History of DEAL Rates (In-State)				
Interest Rate	2021	2022	2023	2024
Fixed	3.98%	6.46%	6.43%	6.05%
Variable	1.71%	6.24%	6.86%	6.44%

- The student loan portfolio decreased by \$33 million YTD 2024, with BND disbursing \$48 million in DEAL loans.
- BND's fixed rate is currently lower than the federal student loan rate for undergraduate students. The federal rate is set annually in July and the current rate is 6.53%, compared to BND's in-state fixed rate of 6.05% which is set quarterly.

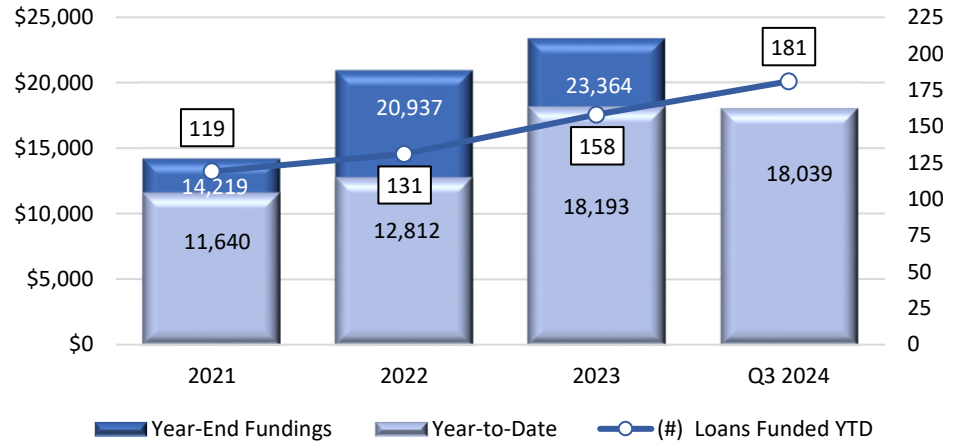
Commercial PACE

(In Thousands)

PACE Loan Amounts Year-End & Year-to-Date



PACE Buydown Funded Year-End & Year-to-Date



Loan Type	2021	2022	2023	2024
Pace	19%	26%	25%	21%
Flex Pace	53%	56%	60%	65%
Affordable Housing	15%	12%	9%	8%
Biofuels	9%	3%	3%	4%
Medical Pace	4%	4%	3%	2%

➤ A total of 166 Flex PACE loans were funded YTD 2024 for a total of \$165 million compared to 138 in 2023. Flex PACE buydown demand continues due to the financing of essential community services and community approved businesses throughout North Dakota.

➤ A total of 8 PACE loans were funded YTD 2024 for a total of \$47 million compared to 7 in 2023. Additional PACE loans funded were 2 Affordable Housing for \$3 million and 5 biofuels for \$9 million.

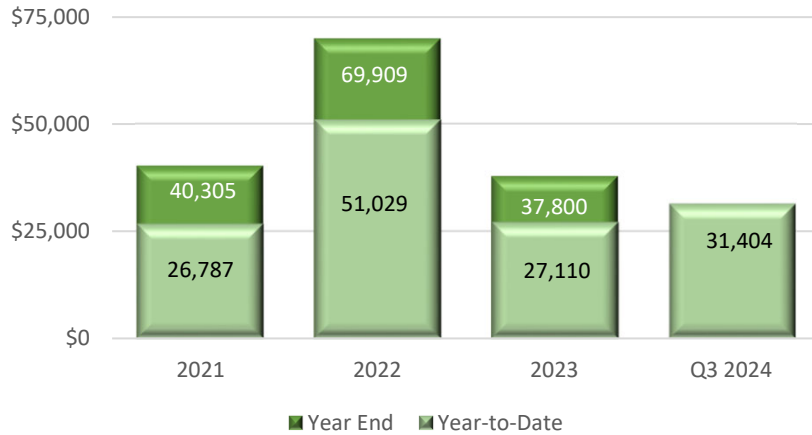
2023-2025 Biennium Buydown Funding (Commercial)					
	Pace	Flex	Housing	Biofuels	Total
Total Available					\$40,000
Funded/Committed	\$4,280	\$22,430	\$0	\$1,186	\$27,896
Remaining Buydown					\$12,104

*Remaining buydown may be transferred between funds as needed.

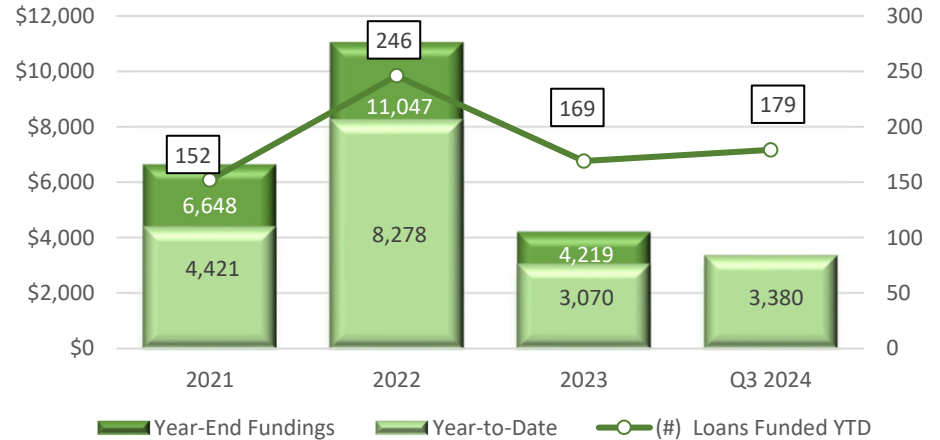
Ag PACE & Beginning Farmer

(In Thousands)

Loan Amounts
Year-End & Year-to-Date



Buydown Funded
Year-End & Year-to-Date

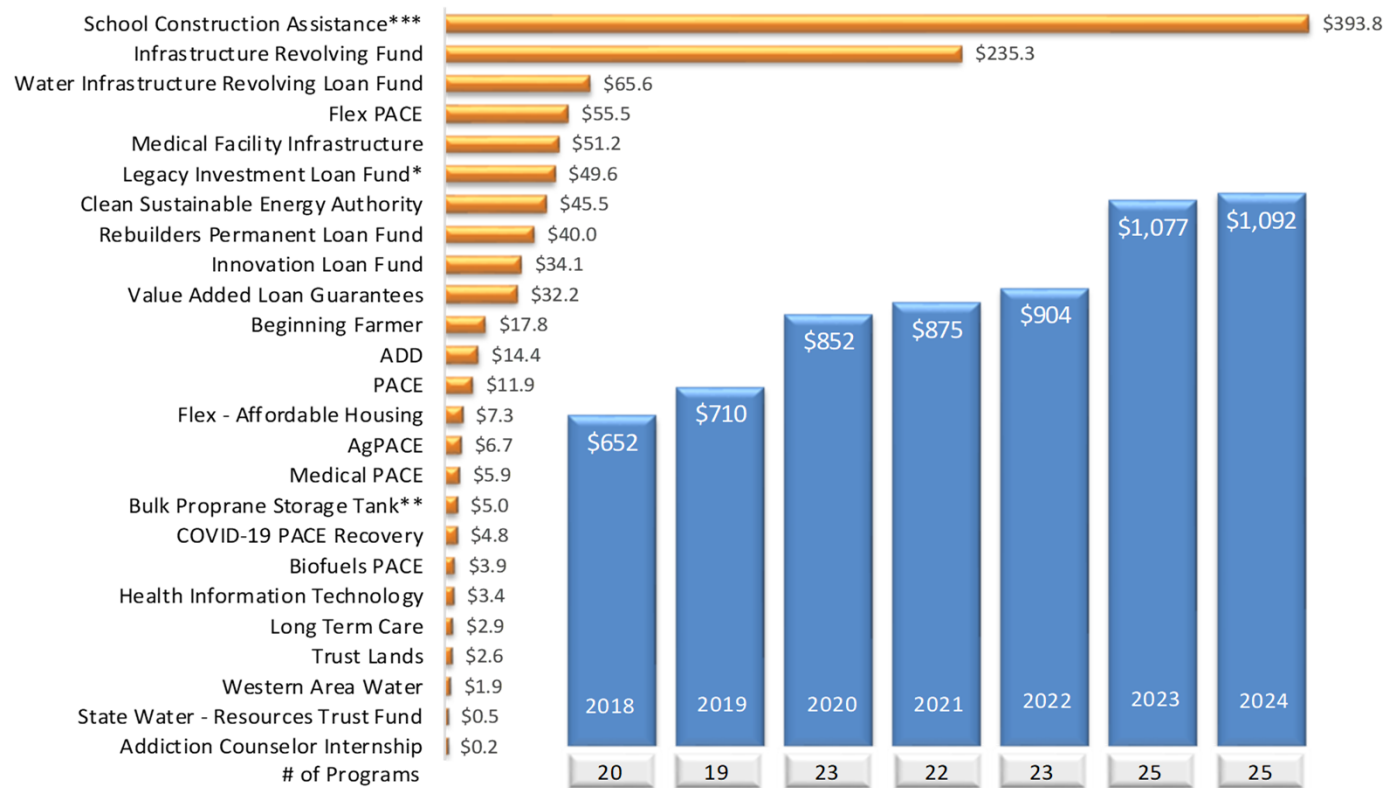


Loan Type	2021	2022	2023	2024
Ag Pace	23%	26%	46%	48%
Beginning Farmer - Real Estate	67%	65%	39%	37%
Beginning Farmer - Chattel	10%	9%	15%	15%

2023-2025 Biennium Buydown Funding (Agriculture)			
	Ag Pace	Beginning Farmer	Total
Total Available			\$20,000
Funded/Committed	\$2,958	\$3,136	\$6,094
Remaining Buydown			\$13,906

- There were 79 Ag PACE loans funded YTD 2024 compared to 52 in 2023. The Production Enhancement Program (PEP) has also created more opportunity for field tiling projects. A total of 80% or 63 of the projects were for field tiling.
- A total of 27 Beginning Farmer Real Estate loans were funded YTD 2024 compared to 35 in 2023. Decreased volume is attributed to higher interest rates.
- A total of 73 Beginning Farmer Chattel loans were funded YTD 2024 compared to 82 in 2023.

Legislatively Directed Loan Programs (Total Assets In Millions)

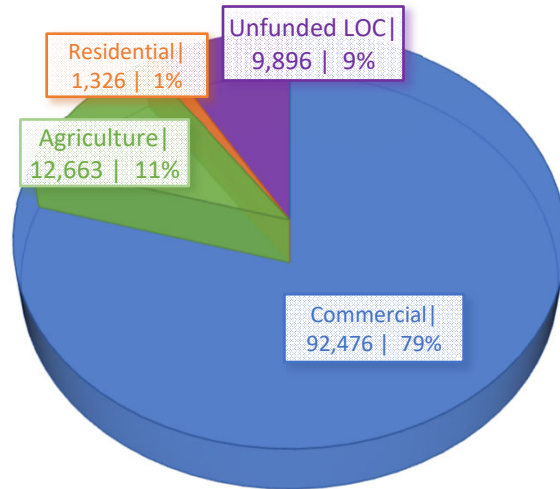


- BND currently administers \$1.1 billion in net assets for legislatively directed loan programs. These programs serve a wide range of purposes, including school construction, water projects, general and medical infrastructure, and disaster recovery.
- *Legacy Investment Loan Fund created in December 2023. Loans purchased from Infrastructure Revolving Loan Fund.
- ** SB 2242 created the Bulk Propane Storage Tank Revolving Loan Fund (BPST) during the 68th Legislative Session. This special fund was established by transferring \$5 million in cash from the Strategic Investment and Improvements Fund (SIIF).
- ***SB 2282 appropriated \$75 million to be transferred from Foundation Aid Stabilization fund to the School Construction Assistance Revolving Loan Fund (SCARLF). This transfer was completed in July 2023.

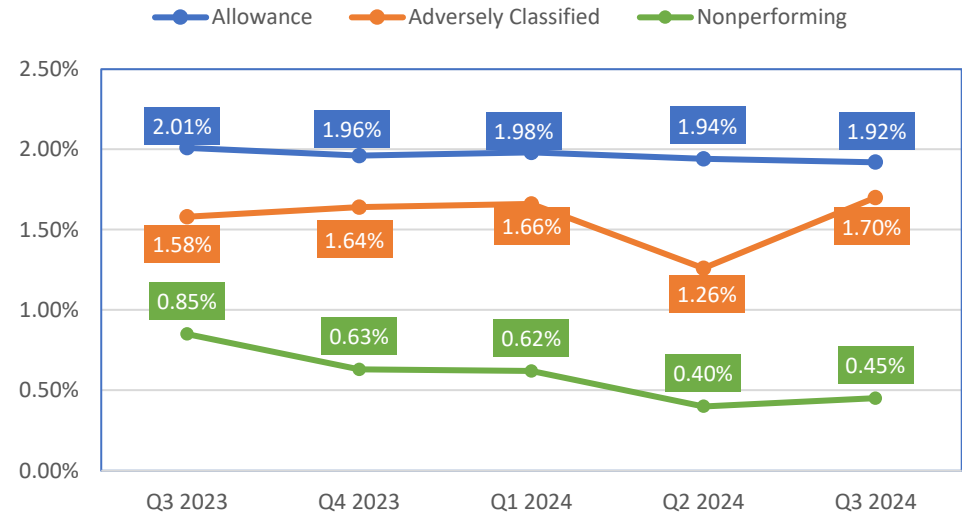
Credit Quality

(In Thousands)

Allowance of \$116,361 on Portfolio of \$6,068,527 or 1.92%



Quarterly Credit Quality Ratios (As a Percentage of Total Loans)



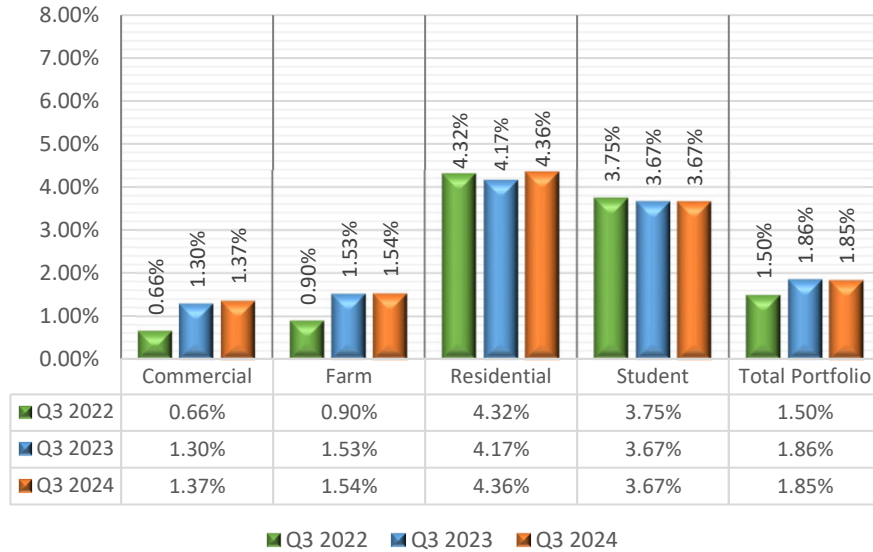
Quarter	Allowance for Credit Losses	Loan Portfolio	Allowance %	North Dakota Average
September 2024	\$116,361	\$6,068,527	1.92%	TBD
June 2024	\$115,892	\$5,970,597	1.94%	1.21%
March 2024	\$115,806	\$5,846,071	1.98%	1.27%
December 2023	\$112,712	\$5,758,740	1.96%	1.24%
September 2023	\$112,345	\$5,583,909	2.01%	1.26%

- BND adopted the CECL Accounting Standard as of January 1, 2023. As of September 30, 2024, BND's total allowance as a percentage of total loans is 1.92%, higher than the most recently posted North Dakota average of 1.21%. BND's allowance percentage can be attributed to the Bank's mission driven nature of our loan portfolio. BND continues to evaluate the need to adjust allowance provision based on the changing economic conditions.
- Excluding the DEAL Student Loan portfolio, which is reserved for separately through the Guarantee Agency, BND's total allowance as a percentage is 2.30%. BND's total allowance as a percentage of all non-guaranteed loans is 2.45%.
- As of September 30, 2024, the percent of non-performing loans is 0.45%, an increase from last quarter, and lower than the most recently posted North Dakota average of 0.88%. Adversely classified loans as a percentage of total loans equaled 1.70%, moderately higher than last quarter but near YE 2023 levels. The most recent North Dakota average of adversely classified loans was 1.38%.

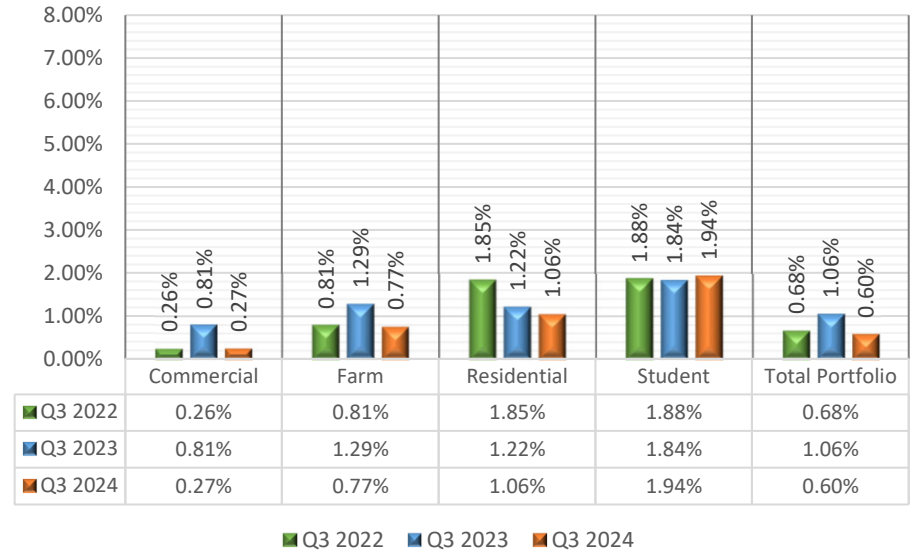
Credit Quality

(Year over Year)

Delinquencies over 30 Days



Delinquencies over 90 Days

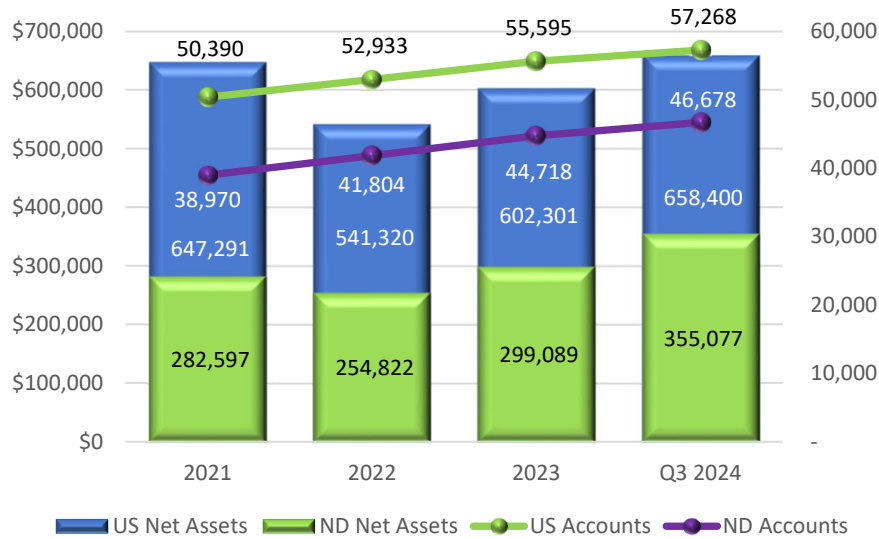


(In \$000's)	Q3 2024	Q3 2023	Q3 2024	Q3 2023
	> 30 days	> 30 days	> 90 days	> 90 days
Commercial	\$54,195	\$44,707	\$10,575	\$27,997
Farm	\$11,888	\$11,176	\$5,961	\$9,389
Residential	\$12,812	\$13,492	\$3,122	\$3,943
Student Loans	\$28,380	\$29,512	\$14,998	\$14,792
Totals	\$107,276	\$98,887	\$34,655	\$56,121

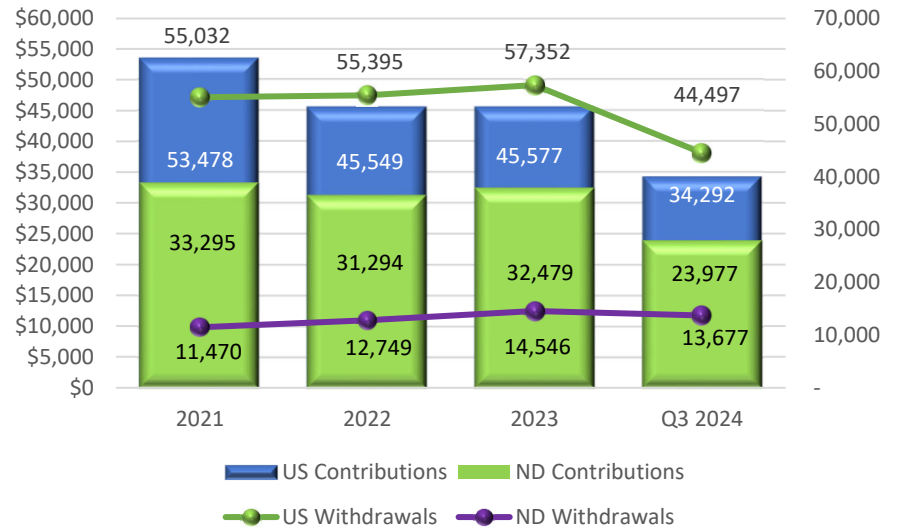
- Commercial delinquencies were 1.37% of which 0.27% were delinquent over 90 days. This is a slight increase to 30 day delinquencies compared to September 30, 2023 of 1.30% and 0.81% over 90 days. Delinquencies were lower than the North Dakota average of 1.40%.
- Farm delinquencies were 1.54% of which 0.77% were delinquent over 90 days. Delinquencies were similar when compared to the prior year and higher than the North Dakota average of 0.76%. Delinquencies over 90 days at September 30, 2024 were lower than compared to the prior two years.
- Residential delinquencies were 4.36% of which 1.06% were delinquent over 90 days. FHA delinquencies of 6.87% are lower than the North Dakota 30-day average of 9.12% and over 90-day delinquencies of 1.74% is lower than the average of 2.67%. Nearly all residential delinquencies represent federally guaranteed loans.
- The overall student loan portfolio has a delinquency rate of 3.67% with 1.94% of the loans being over 90 days. The \$15.0 million delinquent over 90 days is a slight increase from \$14.8 million as of September 30, 2023.

College Save

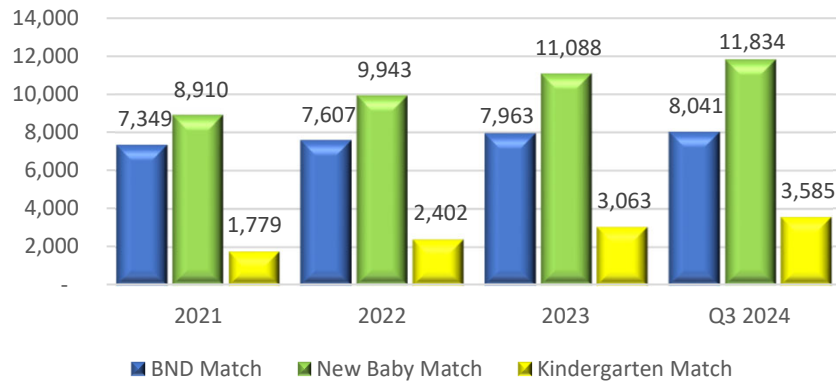
Net Assets (\$000) and Total Accounts (#)



Contributions & Withdrawals (\$000)



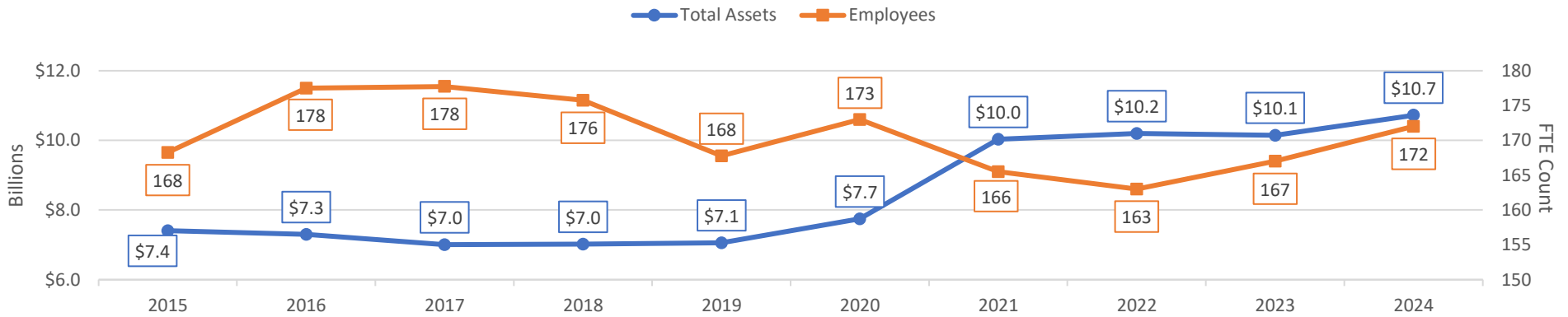
BND, New Baby, Kindergarten Match (# of Accounts)



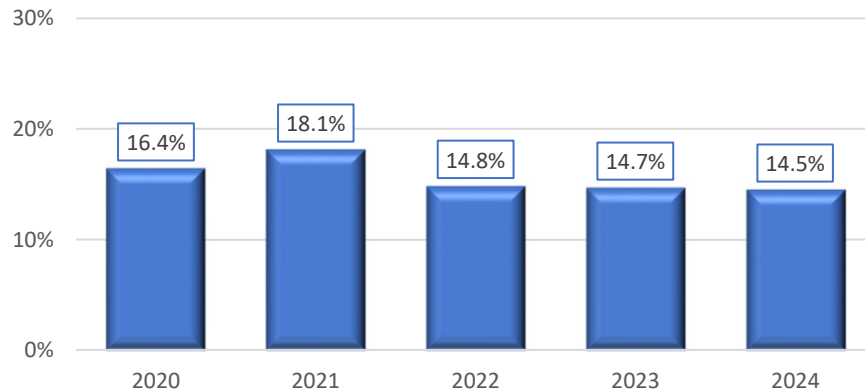
- North Dakota assets have surpassed 54% of total assets, while seeing record distributions
- Net assets set a record at \$658 million
- College SAVE has a record 23,460 match accounts for North Dakota residents

Human Resources

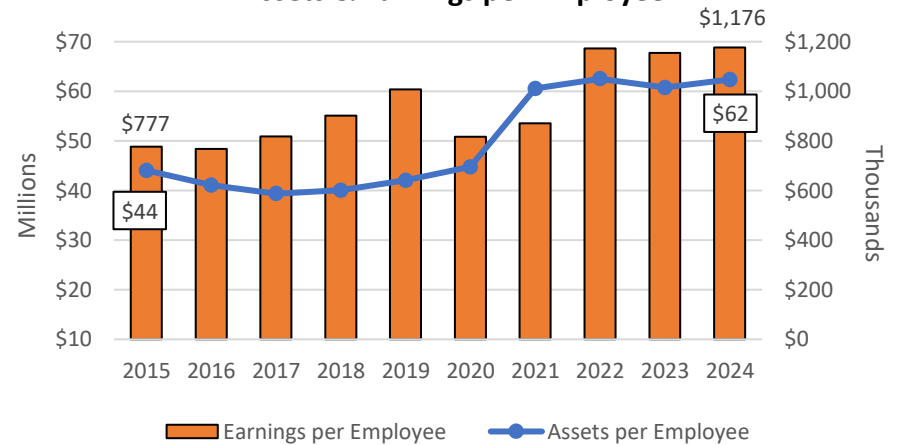
Total Assets & Employees



BND's Trending Efficiency Ratio



Assets & Earnings per Employee



- From 2015 to present, assets have grown 45% to \$10.7 billion, annualized earnings are projected to increase 55% while total employees have only grown 2%. Earnings per employee have increased from \$777 thousand in 2015 to nearly \$1.2 million or 42%.
- The efficiency ratio measures a bank's overhead costs as a percentage of its revenue, the lower the ratio, the better.
- The Bank was authorized an additional 14 FTEs for the 2023-25 Biennium, bringing the total up to 187 authorized FTEs.