



EFL Associates

4600 S. Ulster St. , Suite 900

Denver, CO 80237

Ph: 303-779-1724

www.effassociates.com



**BANK OF NORTH DAKOTA
PRESIDENT & CEO
POSITION SPECIFICATIONS**

CLIENT

Our client, **Bank of North Dakota (BND)** is a state-owned, state-run financial institution based in Bismarck, North Dakota. Established in 1919, it is the only state government-owned general-service bank in the United States, and under state law it is the State of North Dakota *doing business* as the Bank of North Dakota. As the legal depository for state government funds, it holds 15% of the total deposits of banks operating within the state, and uses these deposits to make development, agriculture, business, and student loans.

BND does not compete with private sector banks. It serves as a wholesale bank for the state's community banks and credit unions. It participates in loans created by local financial institutions by increasing loan amounts, providing loan guarantees, and "buying down" interest rates. Additionally, it buys loans from bank portfolios and engages in bank stock lending. The bank provides other banking services to local banks, such as clearing checks, acting as depository for their reserves, and providing federal funds. **BND** also provides recovery funding after disasters, such as in the events of the 1997 Red River flood and the 2011 Missouri River Flood. Additionally, it provides agricultural relief loans in cases of weather-related crises.

A 2011 report by the Boston Fed found that **BND** "enhances the viability of small banks" in North Dakota through its partnerships with them. Approximately 50% of **BND's** loans consist of loan participations or loans purchased from community banks. Additionally, 50% of total deposits in the state are in banks with less than \$500 million in deposits, so **BND's** ability to mitigate risk through loan participations allows smaller institutions to service larger scale loans. This improves the ability of community banks to compete with the lending capacity and range of services provided by national and international banks that operate within the state and has fostered the growth and viability of community banks across North Dakota.

Today, in partnership with a majority of North Dakota's financial institutions, **BND** fulfills its mission to promote the development of agriculture, commerce and industry in North Dakota. The operating policy, established in 1919, stated that the Bank shall be "helpful to and to assist in the development of state and national banks and other financial institutions and public corporations within the state and not, in any manner, to destroy or to be harmful to existing financial institutions." The **Bank's** operating policy continues to serve as a guiding principle for the **Bank's** work in the state.

Oversight and Financial Strength of Bank of North Dakota

BND operates under the management and control of the **Industrial Commission of North Dakota**. The Commission was established by law in 1919 and is comprised of the Governor who acts as Chairman, the Attorney General, and the Agriculture Commissioner. The role of the Commission is to conduct and manage, on behalf of the State of North Dakota, certain utilities, industries, enterprises and business projects. The Industrial Commission acts as the Board of Directors of **BND**.

The Bank of North Dakota Advisory Board supports the Industrial Commission in the oversight role of the bank. Established by law in 1969, the Governor of North Dakota appoints Advisory Board members knowledgeable in banking and finance to the seven-member board. The Advisory Board reviews the **Bank's** operations and makes recommendations to the Industrial Commission concerning management, services, policies and procedures. The Advisory Board serves as the audit committee for the Bank.

BND's assets as of December 31, 2023, were just over \$10 billion. **BND's** primary deposit base comes from the state's collection of taxes and fees. The balance of **BND's** deposits come from corporate accounts, North Dakota city and county government entities, and North Dakota financial institutions.

In contrast to most commercial banks, **BND** is not a member of the Federal Deposit Insurance Corporation (FDIC). North Dakota Century Code 6-09-10 provides that all **BND** deposits are guaranteed by the full faith and credit of the State of North Dakota.

BND's profits are utilized to support loan participations with partner financial institutions and to support disaster recovery programs. Profits may also be used to support legislatively directed loan programs and capital transfers to the general fund as needed. Excess earnings are retained and accumulated to fund capital. **BND's** Tier One capital level target is 12%.

S&P Global Ratings gave **BND** a rating of A+/Stable in its November 2023 rating report.

BND is headquartered in Bismarck, North Dakota with other offices and employees located in Fargo, Minot, and Grand Forks.

Several sections of the North Dakota Century Code address the creation of **BND**, its oversight and role in the state. Please refer to:

- [North Dakota Century Code t06c09 \(ndlegis.gov\)](#)
- [North Dakota Century Code t54c17 \(ndlegis.gov\)](#)
- [North Dakota Century Code | North Dakota Legislative Branch \(ndlegis.gov\)](#)

ABOUT NORTH DAKOTA & BISMARCK

North Dakota is a family-friendly, business-friendly state to live in. North Dakota residents experience the nation's highest quality of life, affordable living costs and the great outdoors, among many other benefits. People here are extremely friendly, and “North Dakota Nice” is a real thing. Balancing a robust agricultural and energy economy, it offers a blend of tranquil rural areas and energetic cities under vast skies. Living in North Dakota means experiencing the changing seasons, from cold, snowy winters to warm, sunny summers, and enjoying outdoor activities year-round like fishing, hunting, and hiking.

Bismarck is the capital of North Dakota and, with a metro area population of roughly 130,000, is the second most populous city in the State, after Fargo. The city is situated on the east bank of the Missouri River, a recreational gem, directly across from the City of Mandan on the opposite bank. In addition to the State Government which employs roughly 4,600, Bismarck is a hub of retail and healthcare making it the economic center of south-central North Dakota and north-central South Dakota.

Bismarck enjoys a 4-season climate and offers several area recreational opportunities with a large park system, area lakes, and an expansive network of trails. The city is also home to three colleges and one university and has a variety of cultural arts offerings. Livability.com has ranked Bismarck number 51 in the top 100 best places to live in the United States. Besides having such a great ranking, Bismarck has also been dubbed, "The least stressful town in America." The city is served by Bismarck Municipal Airport.

For more information about North Dakota and Bismarck, please refer to:

- Official State Website
[Home | North Dakota State Government - ND Portal](#)
- North Dakota Dept of Commerce
<https://www.commerce.nd.gov/tourism-marketing/find-good-life>
- City Website
www.bismarck.nd.gov
- Bismarck/Mandan Chamber of Commerce
www.bismarckmandan.com
- Convention & Visitors Bureau
www.noboundariesnd.com
- The Bismarck Tribune
www.bismarcktribune.com

THE PRESIDENT & CHIEF EXECUTIVE OFFICER ROLE

The **BND President & Chief Executive Officer (CEO)** reports to the North Dakota Industrial Commission. The position is responsible for the overall strategic and operational performance of **Bank of North Dakota**.

The **President/CEO** is responsible for the management of the enterprise in fulfillment of the declared objectives and within the framework of policies recommended by the Bank Advisory Board and approved by the Industrial Commission.

The **President/CEO** leads the implementation and achievement of the Bank's current and future strategic direction and ensures delivery of strategic and operational key performance results and outcomes across the organization.

The **President/CEO** provides leadership for the Executive Team to work in partnership across their service areas, to lead and implement continuous improvements in business processes, leveraging digital transformation, and ensuring exceptional delivery of customer focused services.

The **President/CEO** is accountable for developing new business opportunities and sustaining valuable relationships with private and public sector stakeholders to ensure the Bank's continuous support of financial institution partners and expansion and growth of the enterprise.

The **President/CEO** has a deep understanding of the legislative process and leads the implementation of laws and programs passed by the North Dakota Legislature that impact the Bank. The **President/CEO** also leads the development of disaster programs to assist the citizens of North Dakota.

The **President/CEO** serves on various state committees to provide expertise and present the interests of **Bank of North Dakota**.

Distinguishing Factors and Essential Functions

The BND President/CEO is the most senior level executive within the Bank, and is a leader, mentor, and coach to other team members.

The position carries broad responsibilities and authority per BND Governance Policy and Operational Guidelines.

Major Responsibilities include:

- Strategic Leadership of **BND** per the Advisory Board's direction as approved by the Industrial Commission
- Financial Management Oversight
- Strategic Planning and Direction
- Executive Leadership and People Management
- Business Development and Customer Focused Value Propositions
- Audit, Risk Management and Compliance Oversight
- Corporate and Social Responsibility
- Credit Approval

Minimum Education and Experience

Executive Level. The **BND President/CEO** position requires the education, experience, talent and mindset to assess and mitigate principal operational risks and lead legal and regulatory compliance of the **Bank's** business. This executive must possess the education and experience to drive growth and profitability of a \$10 billion financial institution and ensure that appropriate management teams and technological systems

are in place for delivering expected services and performance standards. The successful candidate must bring a strong understanding and experience in analyzing credit risk.

Travel Required

As needed for off-site meetings, training and conferences. As the **President/CEO** of **BND**, this role will also be expected to engage with private sector banks across the State.

Other Position Information

The **Bank** currently employs a staff of 169. The **President/CEO** guides the staff through 8 direct reports, comprised of:

- SVP & Chief Lending Officer
- SVP & Chief Business Development Officer
- SVP & Chief Banking & Innovation Officer
- SVP & Chief Financial Officer
- SVP & Chief Administrative Officer
- SVP & Chief Credit Officer
- SVP & Chief Risk Officer
- Executive Administrative Assistant

The **Bank's** current annual operating budget is \$40 million.

The **Bank's** loan portfolio consists of:

- \$3.6 billion commercial loan portfolio
- \$1.1 billion student loan portfolio
- \$734 million agricultural loan portfolio
- \$316 million residential loan portfolio

In addition, the **Bank** manages, on behalf of the North Dakota Legislature, a \$1.1 billion off balance sheet loan portfolio for legislatively directed loan programs that serve a wide range of purposes including: school construction, water projects, sustainable energy development, and infrastructure.

Currently, a hybrid in-office policy, subject to adjustment, is in place for **Bank** employees. Approximately 1/3 work fully onsite while the remainder either work a hybrid arrangement or are fully offsite.

PERSONAL CHARACTERISTICS DESIRED

- The highest ethics and integrity; strength of character to hold self and others accountable to high standards of performance.
- Highly developed communication skills: an excellent listener who is also an accomplished presenter, both orally and in written communications.
- Proven leadership ability: can articulate a shared vision and obtain staff “buy-in”.
- Solid talent management skills: inspires others to high standards of operational effectiveness and efficiency.

- Outstanding interpersonal skills: ability to work with a wide variety of constituents/personality styles and develop good rapport with consultants, staff, and other stakeholders.
- Visionary and Strategic thinker.
- Strong work ethic and sense of commitment and dedication.
- Intelligence, maturity, common sense, and good judgment.
- Fair, even and impartial; acts and responds factually and without bias.
- Strong understanding and experience in analyzing credit risk.

COMPENSATION

BND will offer the successful candidate a highly competitive compensation package and comprehensive benefits package. Benefits provided by the State of North Dakota include fully paid medical insurance for the employee and dependents, including prescription drug coverage and preventative health care features. Voluntary dental and vision plans are also available. The State also offers competitive retirement plans, including a Defined Benefit Hybrid Plan, a voluntary deferred compensation plan, and a basic life insurance plan. The State also offers a generous paid-time-off (PTO) policy for sick leave, vacation, and holidays.

APPLICATION PROCESS

EFL Associates, an executive search firm, is assisting the **Bank** with this important search. All calls and inquiries should be made through the search firm representatives listed below. All applications and referrals will be held in confidence. Review of applications will begin immediately and will continue until the position is filled. **To apply, please forward your resume and a cover letter to Tamara Wesely at tamara.wesely@eflassociates.com.**

NON-DISCRIMINATION

EFL Associates and the **Bank** do not discriminate on the basis of race, religion, national origin, sex, age, marital status, sexual orientation, gender identity, gender expression, disability, creed, color, ancestry, or medical condition.

EFL ASSOCIATES
4600 S. Ulster Street, Suite 900
Denver, CO 80237
Ph: 303-779-1724
www.eflassociates.com

Daniel J. Cummings, Executive Vice President & Managing Director
Ph: 720-200-1765
Email: dcummings@eflassociates.com

Tamara Wesely, Staff Consultant
Ph: 720-200-1723
Email: tamara.wesely@eflassociates.com