



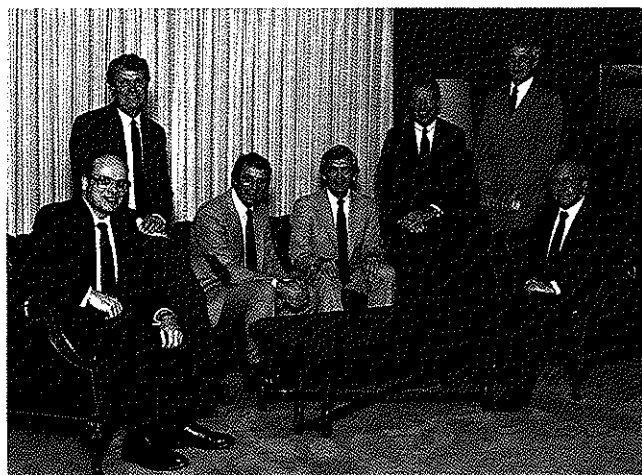
1985

ANNUAL
REPORT

BANK OF NORTH DAKOTA

Bank of North Dakota Advisory Board

l-r: Al. Wahl, J.J. "Joe" Vihstadt, Myron Just, Fred Gengler, Dan O'Day, Les Nesvig, James H. Duncan



North Dakota Industrial Commission

l-r: Attorney General Nicholas J. Spaeth, Governor George A. Sinner, Commissioner of Agriculture Kent Jones



Annual Report

Early in 1985, the Industrial Commission hired Touche Ross & Co., an independent auditing and consulting firm to conduct an operational management audit of the Bank of North Dakota. They have recommended major changes in planning processes, management control reporting, information system planning, lending policies and procedures, organizational changes, staff enhancement and expansion.

The Industrial Commission hired Joseph S. Lamb as Executive Vice President and Chief Operating Officer in September to implement the Touche Ross & Co. recommendations. Mr Lamb reports directly to the Industrial Commission and has supervision of all bank functions.

The Bank of North Dakota Advisory Board was reorganized during the year with the appointment of five members by Governor Sinner. The new board members are James H. Duncan, president of Citizens State Bank of Cavalier; Myron Just, a former Commissioner of Agriculture and farmer from Berlin, North Dakota; Al. Wahl, a Williston attorney; Fred Gengler, president and manager of Western Savings Credit Union in Dickinson, North Dakota and J.J. "Joe" Vihstadt, president of the First American Bank at Minot. Dan O'Day was reappointed chairman and Les Nesvig was reappointed secretary.

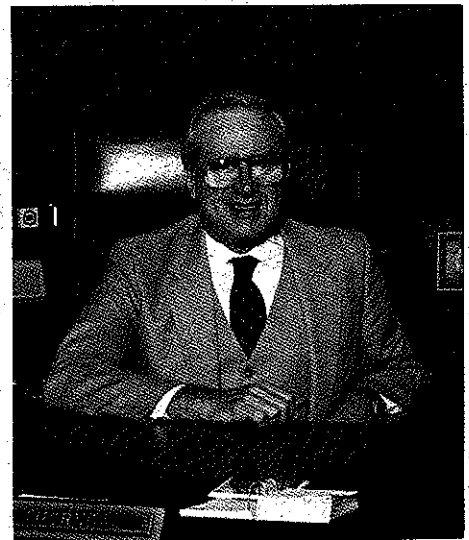
Loan demand in 1985 was light, with our participation loans with other North Dakota banks and savings and loan associations declining from \$71 million to \$53 million at year end. The Bank made \$10 million in Farm Survival Operation Loans (under HB 1404 from the 1985 Legislative Session).

The Beginning Farmer Loan Program continued in 1985 with the Bank committing \$5,801,045. However, because the Farmers Home Administration (FmHA) did not have enough funds to match the Bank's program, only \$4,221,255 was funded.

The Industrial Commission issued a \$125,200,000 Student Loan Bond issue in 1985, which will provide funding for student loans through 1988. Our commitment to higher education is ongoing. The Bank also issued \$2,090,000 letters-of-credit backing up bond issues of the State Housing Finance Agency and \$1,168,526 backing an Agriculture Revenue Bond Issue in 1985.

The North Dakota Bond Bank, which is supervised by the Bank, issued a \$35,290,000 municipal assistance bond issue in 1985, and expects to continue this program in 1986. Demand for other political subdivision underwriting was light during the year.

Since agriculture experiences a longer lag period than most industries in turn around, we expect 1986 to continue in the same trend as 1985. Nonetheless, we are optimistic about North Dakota's future and we shall remain at the forefront in the promotion of agriculture, commerce and industry in the state.



H.L. Thorndal, President.

Eide Helmeke & Co.
CERTIFIED PUBLIC ACCOUNTANTS

The Industrial Commission
State of North Dakota
Bismarck, North Dakota

We have examined the balance sheets of The Bank of North Dakota as of December 31, 1985, and 1984, and the related statements of operations, capital funds and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of The Bank of North Dakota as of December 31, 1985, and 1984, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

January 30, 1986
Bismarck, North Dakota

Eide Helmeke + Co.

Balance Sheets

December 31, 1985, and 1984

ASSETS	1985	1984
CASH AND DUE FROM BANKS	\$ 83,605,610	\$ 55,948,814
INVESTMENT SECURITIES (Note 3):		
U.S. Treasury securities	300,933,937	160,028,034
Obligations of other U.S. Government agencies	66,399,789	63,511,310
Obligations of states and political subdivisions	20,352,837	8,897,718
Other securities	3,227,906	3,192,004
	<u>390,914,469</u>	<u>235,629,066</u>
FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS	<u>255,530,000</u>	<u>262,355,000</u>
LOANS:		
FHA and VA home loans (Note 6)	144,344,222	153,977,694
Bank participation loans	53,439,067	71,145,691
Guaranteed student loans	21,335,795	27,676,356
Bank stock loans	6,478,215	5,268,634
SBA participation loans	5,569,261	7,877,658
Farm real estate loans	4,941,458	2,185,694
Farm survival and agribusiness operating loans	3,243,885	
Other loans	3,881,203	2,358,173
	<u>243,233,106</u>	<u>270,489,900</u>
Less allowance for loan losses (Note 4)	6,365,219	5,685,593
	<u>236,867,887</u>	<u>264,804,307</u>
BANK PREMISES AND EQUIPMENT, NET (Note 5)	<u>1,497,308</u>	<u>1,360,950</u>
ACCRUED INTEREST RECEIVABLE	<u>10,048,085</u>	<u>8,062,489</u>
OTHER ASSETS	<u>1,885,104</u>	<u>1,462,002</u>
	<u><u>\$980,348,463</u></u>	<u><u>\$829,622,628</u></u>
LIABILITIES		
DEPOSITS:		
Demand	\$103,798,238	\$ 90,482,978
NOW accounts	18,930,209	13,805,248
Savings	293,900,078	344,831,660
Time	212,242,689	141,680,187
	<u>628,871,214</u>	<u>590,800,073</u>
FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Note 3)	246,585,000	140,840,000
COLLATERALIZED LONG-TERM BONDS (Note 6)	30,008,000	30,108,000
ACCRUED INTEREST PAYABLE	5,197,711	5,783,060
OTHER LIABILITIES	3,163,843	4,319,568
APPROPRIATION DUE THE BEGINNING FARMER LOAN PROGRAM (Note 7)	848,682	933,209
APPROPRIATION DUE THE HOME-QUARTER PURCHASE FUND (Note 7)	1,500,000	
APPROPRIATION DUE THE STATE OF NORTH DAKOTA GENERAL FUND (Note 7)	5,250,000	1,250,000
Total liabilities	<u>921,424,450</u>	<u>774,033,910</u>
COMMITMENTS AND CONTINGENT LIABILITIES (Note 11)		
CAPITAL FUNDS:		
Capital	20,000,000	18,000,000
Surplus (Note 8)	20,000,000	20,000,000
Undivided profits (Note 8)	15,424,013	14,088,718
Reserve for contingencies	3,500,000	3,500,000
Total capital funds	<u>58,924,013</u>	<u>55,588,718</u>
	<u><u>\$980,348,463</u></u>	<u><u>\$829,622,628</u></u>

The accompanying notes to financial statements are an integral part of these statements.

Statements of Operations

For the years ended December 31, 1985, and 1984

	1985	1984
INTEREST INCOME:		
Interest and fees on loans	\$24,487,274	\$27,697,637
Interest on investment securities:		
U.S. Treasury securities	20,648,134	11,073,883
Obligations of other U.S. Government agencies	6,209,476	8,506,359
Obligations of states and political subdivisions	849,146	819,552
Other securities	354,272	429,710
Interest on federal funds sold and securities purchased under reverse repurchase agreements	23,397,684	29,446,474
	<u>75,945,986</u>	<u>77,973,615</u>
INTEREST EXPENSE:		
Interest on deposits	40,081,980	36,124,186
Interest on federal funds purchased and securities sold under repurchase agreements	12,877,869	21,023,332
Interest on long-term bonds (Note 6)	2,805,630	3,148,318
	<u>55,765,479</u>	<u>60,295,836</u>
Net interest income	20,180,507	17,677,779
PROVISION FOR LOAN LOSSES (Note 4)	6,892,629	8,789,797
Net interest income after provision for loan losses	<u>13,287,878</u>	<u>8,887,982</u>
OTHER INCOME:		
Service fees and other	2,635,989	2,302,451
Security gains	1,068,472	586,867
	<u>3,704,461</u>	<u>2,889,318</u>
OTHER EXPENSES:		
Salaries	1,987,322	1,828,626
Pensions and other employee benefits (Note 9)	477,341	409,185
Data processing	561,803	780,237
Other operating expenses	1,462,525	983,883
Depreciation (Note 5)	168,053	126,237
	<u>4,657,044</u>	<u>4,128,168</u>
INCOME BEFORE EXTRAORDINARY ITEMS	12,335,295	7,649,132
EXTRAORDINARY ITEMS (Note 12)		1,669,140
NET INCOME	<u>\$12,335,295</u>	<u>\$ 9,318,272</u>

The accompanying notes to financial statements are an integral part of these statements.

Statements of Capital Funds

For the years ended December 31, 1985, and 1984

	Capital	Surplus	Undivided Profits	Reserve for Contingencies	Total
BALANCES, JANUARY 1, 1984	\$18,000,000	\$18,000,000	\$ 6,925,446	\$ 3,500,000	\$46,425,446
Net income			9,318,272		9,318,272
Transfer from undivided profits to:					
Surplus (Note 8)		2,000,000	(2,000,000)		
The Farm Credit Counseling Program (Note 8)			(155,000)		(155,000)
BALANCES, DECEMBER 31, 1984	<u>18,000,000</u>	<u>20,000,000</u>	<u>14,088,718</u>	<u>3,500,000</u>	<u>55,588,718</u>
Net income			12,335,295		12,335,295
Transfer from undivided profits to:					
Capital (Note 8)	2,000,000		(2,000,000)		
Appropriation due the State of North Dakota General Fund (Note 7)			(7,000,000)		(7,000,000)
Appropriation due the Home-Quarter Purchase Fund (Note 7)			(2,000,000)		(2,000,000)
BALANCES, DECEMBER 31, 1985	<u>\$20,000,000</u>	<u>\$20,000,000</u>	<u>\$15,424,013</u>	<u>\$ 3,500,000</u>	<u>\$58,924,013</u>

The accompanying notes to financial statements are an integral part of these statements.

Statements of Changes in Financial Position

For the years ended December 31, 1985, and 1984

	<u>1985</u>	<u>1984</u>
RESOURCES PROVIDED:		
Operations:		
Income before extraordinary item	\$ 12,335,295	\$ 7,649,132
Items not requiring expenditure of funds:		
Provision for loan losses	6,892,629	8,789,797
Depreciation and amortization	193,795	162,458
Resources provided from operations, exclusive of extraordinary item	<u>19,421,719</u>	<u>16,601,387</u>
Extraordinary items (Note 12)		1,669,140
Total from operations	<u>19,421,719</u>	<u>18,270,527</u>
Increase in:		
Deposits	38,071,141	114,953,197
Federal funds purchased and securities sold under repurchase agreements	105,745,000	
Accrued interest payable		318,606
Appropriations due	5,415,473	
Decrease in:		
Cash and due from banks		9,187,001
Federal fund sold and securities purchased under reverse repurchase agreements	6,825,000	202,025,000
Loans, net	21,043,791	10,703,142
Accrued interest receivable		2,710,714
Other assets		<u>5,792,588</u>
	<u>\$196,522,124</u>	<u>\$363,960,775</u>
RESOURCES APPLIED:		
Purchase of bank premises and equipment	\$ 304,411	\$ 39,737
Payment of long-term bonds (Note 6, Note 12)	100,000	5,000,000
Transfer to:		
Appropriation due the State of North Dakota General Fund (Note 7)	7,000,000	
Appropriation due the Home-Quarter Purchase Fund (Note 7)	2,000,000	
The Farm Credit Counseling Program (Note 8)		155,000
Increase in:		
Cash and due from banks	27,656,796	
Investment securities	155,285,403	39,283,262
Accrued interest receivable	1,985,596	
Other assets	448,844	
Decrease in:		
Federal funds purchased and securities sold under repurchase agreements		313,046,337
Accrued interest payable	585,349	
Other liabilities	1,155,725	703,608
Appropriations due (Note 7)		<u>5,732,831</u>
	<u>\$196,522,124</u>	<u>\$363,960,775</u>

The accompanying notes to financial statements are an integral part of these statements.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment securities - Securities are stated at cost adjusted for amortization of premiums and accretion of discounts which are recognized as adjustments to interest income. Gains or losses on disposition are based on the net proceeds and the adjusted carrying amount of the securities sold, using the specific identification method.

Loans and allowance for loan losses - Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Interest on loans is calculated by using the simple interest method on the principal amount outstanding. The allowance for loan losses is established through a provision for loan losses charged to expenses. Loans are charged against the allowance for loan losses when management believes the collectibility of the principal is unlikely. The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible based on evaluations of the collectibility of loans and prior loan loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the loan portfolio, overall portfolio quality, review of specific problem loans and current economic conditions that may affect the borrowers' ability to pay. Accrual of interest is discontinued on a loan when management believes, after considering economic and business conditions and collection efforts, that the borrowers' financial condition is such that collection of interest is doubtful.

Bank premises and equipment - Bank premises and equipment are stated at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense currently. When depreciable properties are retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided over the estimated useful lives of the individual assets using the straight-line method. The range of the estimated useful lives used in the computation of depreciation is 25 years for the bank premises and 5 to 10 years for equipment and furniture.

Bond issue costs - Bond issue costs are being amortized using the straight-line method over the term of the bonds.

Pension plan - The Bank funds amounts equal to pension costs accrued.

NOTE 2 - NATURE OF ORGANIZATION

The Bank of North Dakota is owned and operated by the State of North Dakota under the supervision of the Industrial Commission as provided by Chapter 6-09 of the North Dakota Century Code. According to state law, all state funds must be deposited in the Bank of North Dakota.

NOTE 3 - INVESTMENT SECURITIES

Carrying amounts and approximate market value of investment securities at December 31, 1985, and 1984, are summarized as follows:

	1985		1984	
	Carrying Amount	Approximate Market Value	Carrying Amount	Approximate Market Value
U. S. Treasury securities	\$300,933,937	\$310,825,000	\$160,028,034	\$160,718,000
Obligations of other U.S. Government agencies	66,399,789	62,375,000	63,511,310	62,238,000
Obligations of states and political subdivisions	20,352,837		8,897,718	
Other securities	3,227,906	2,516,000	3,192,004	2,180,000
	<u>\$390,914,469</u>		<u>\$235,629,066</u>	

Obligations of states and political subdivisions held by the Bank are primarily city and county obligations. Due to the nature of these securities, a market value is not readily available.

Since the Bank intends to hold securities until maturity, no loss is anticipated and a reserve has not been provided.

The Bank has pledged investment securities and securities purchased under reverse repurchase agreements to the following:

	Amounts Pledged at Par	
	1985	1984
Securities sold under agreements to repurchase		
Payment of principal and interest of the 1977 Series A Bonds issued by the North Dakota Municipal Bond Bank	\$134,420,000	\$39,330,000
Collateralized long-term bonds	9,200,000	9,200,000
Deposits in the treasury tax and loan account	7,000,000	7,000,000
	3,000,000	2,500,000
	<u>\$153,620,000</u>	<u>\$58,030,000</u>

NOTE 4 - LOANS

Loans on which the accrual of interest has been discontinued amounted to approximately \$3,547,000 and \$5,625,000 at December 31, 1985, and 1984, respectively. If interest on those loans had been accrued, such income would have approximated \$446,000 and \$835,000 for 1985, and 1984, respectively.

Changes in the allowance for loan losses were as follows:

	Year Ended December 31,	
	1985	1984
Balance, beginning of year	\$5,685,593	\$3,000,000
Provision charged to operations	6,892,629	8,789,797
Loans charged off	(8,327,620)	(7,244,927)
Recoveries	2,114,617	1,140,723
Balance, end of year	<u>\$6,365,219</u>	<u>\$5,685,593</u>

NOTE 5 - BANK PREMISES AND EQUIPMENT

Accumulated depreciation on bank premises and equipment was \$1,143,209 and \$1,025,960 as of December 31, 1985, and 1984, respectively.

Depreciation expense amounted to \$168,053 and \$126,237 in 1985, and 1984, respectively.

NOTE 6 — COLLATERALIZED LONG-TERM BONDS

The Bank issued 9.25% collateralized long-term bonds in December, 1978, totaling \$50,000,000 of which \$30,008,000 and \$30,108,000 were outstanding as of December 31, 1985, and 1984, respectively. Annual sinking fund payments of \$2,500,000 are due each December 1 through December 1, 1988, and \$5,000,000 beginning December 1, 1989 through December 1, 1993, when the bonds mature. Redemption of the bonds may be accelerated by paying a premium which decreases proportionately from 108.538% at December, 1979 until it is eliminated after December, 1990. The bonds are collateralized by FHA and VA guaranteed loans with a principal balance of approximately \$67,235,000 outstanding as of December 31, 1985. In addition, the Bank pledged \$7,000,000 in U.S. Government securities as additional collateral. The Bank is required to maintain an amount of eligible collateral such that the sum of (a) the discounted value of eligible mortgage notes divided by 150%, (b) the fair market value of government securities and eligible money market instruments divided by 125% and (c) the fair market value of cash is not less than 100% of the initial series of bonds outstanding. However, the sum of (x) the discounted value of eligible mortgage notes, (y) the fair market value of government securities and eligible money market instruments and (z) the fair market value of cash shall in no event be less than 115% of the aggregate principal amount of the bonds outstanding. The bond indenture contains certain restrictive covenants which, among other things, require the maintenance of a ratio of deposits and collateralized long-term bonds to capital, surplus and reserves no greater than 20 to 1. The Bank is in compliance with all provisions of the indenture agreement as of December 31, 1985.

During 1985, the Bank purchased \$100,000 of their outstanding collateralized bonds on the open market resulting in an ordinary gain of \$7,742 which is included in service fees and other income. During 1984, the Bank purchased on the open market \$5,000,000 of their outstanding collateralized bonds. This purchase exceeded annual sinking fund requirements remaining for 1984 by \$4,892,000. After deducting related bond issue costs, this transaction resulted in an extraordinary gain on extinguishment of debt of \$718,535 which is included in extraordinary items and an ordinary gain of \$15,863 which is included in service fees and other income on the Statement of Operations.

NOTE 7 — APPROPRIATIONS DUE

The North Dakota State Legislature appropriated \$7,000,000 for the State General Fund from undivided profits of the Bank. Such monies shall be transferred during the biennium beginning July 1, 1985. The remaining amount due at December 31, 1985 is \$5,250,000.

The North Dakota State Legislature created the Beginning Farmer Loan Program to be administered by the Bank of North Dakota. The revolving loan fund was established by the appropriation of \$5,000,000 from undivided profits of the Bank of North Dakota. The remaining amount due at December 31, 1985 is \$848,682.

The North Dakota State Legislature created the Home-Quarter Purchase Fund to be administered by the Bank of North Dakota. The revolving loan fund was established by the appropriation of \$2,000,000 from undivided profits of the Bank of North Dakota. The remaining amount due at December 31, 1985 is \$1,500,000.

NOTE 8 — TRANSFERS FROM UNDIVIDED PROFITS

During 1985, the Bank, by order of the Industrial Commission, transferred \$2,000,000 from undivided profits to capital.

During 1984, the Bank, by order of the Industrial Commission, transferred \$2,000,000 from undivided profits to surplus and \$155,000 from undivided profits to the Farm Credit Counseling Program.

NOTE 9 — PENSION PLAN

The Bank's pension expense amounted to \$175,762 and \$139,561 in 1985, and 1984, respectively. The Bank participates in a defined benefit pension plan authorized by the State of North Dakota and administered by the North Dakota Public Employees Retirement System. The plan is available to all permanent employees of the Bank. Under the provisions of the plan, the Bank contributes 5.12% of the qualifying salary of each individual employee to the pension fund and 4.00% of the qualifying salary of each individual employee to the employee's pension account. The Bank contributed annually to the plan amounts equal to the accrual of pension expense. Vested benefits currently exceed the fund assets. The Bank has not been assessed for any amount by which vested benefits exceed fund assets.

NOTE 10 — TRUST ASSETS

Property (other than cash deposits) held by the Bank in fiduciary or agency capacities for its customers is not included in the accompanying balance sheets since such items are not assets of the Bank.

NOTE 11 — COMMITMENTS AND CONTINGENT LIABILITIES

In 1984, the State of North Dakota issued long-term bonds totaling \$62,335,000 which was used to purchase approximately \$17,750,000 in farm loans from the Bank of North Dakota, refund the 1982 North Dakota Real Estate Bonds, provide for payment of interest due on the bonds on September 1, 1984, and pay the costs of issuance. Bonds totaling \$61,920,000 were outstanding as of December 31, 1985. In connection with this bond issue, the Bank of North Dakota is obligated to purchase 1984 bonds when there are insufficient monies in any of the pledged funds for payment of the bonds as they become due. Based on the differential of interest rates on the bonds and purchased loans, it is a reasonable possibility that the Bank of North Dakota will incur a liability on this bond issue. However, an estimate of this liability cannot be made at the present time.

In the normal course of business, the Bank makes various commitments and incurs contingent liabilities that are not presented in the accompanying financial statements. The commitments and contingent liabilities include various guarantees, commitments to extend credit and standby letters of credit. At December 31, 1985, commitments to extend credit aggregated approximately \$19,500,000. The Bank has included any anticipated losses as a result of the commitments in the allowance for loan losses.

NOTE 12 — EXTRAORDINARY GAINS

As discussed in Note 6, during 1984 the Bank purchased on the open market \$5,000,000 of their outstanding collateralized bonds. This transaction resulted in an extraordinary gain on extinguishment of debt of

\$ 718,535

As discussed in Note 11, during 1984 the State of North Dakota issued long-term bonds totaling \$62,335,000 which were used, in part, to refund the 1982 North Dakota Real Estate Bonds. In connection with the 1982 bond issue, the Bank of North Dakota was required to purchase any coupons or bonds that matured when insufficient funds were held by the 1982 Farm Real Estate Bond Fund. As of the date of issuance of the 1984 bonds, the Bank had accrued a liability of \$1,595,298. The obligation to purchase 1982 coupons or bonds expired by its own terms when the 1984 bonds were issued. Therefore, the expiration of the obligation resulted in an extraordinary gain on restructuring of a liability of \$1,595,298, less the related unamortized bond issue costs of \$644,693 — for a net gain of

950,605

\$1,669,140

Five Year Summary

	1985	1984	1983	1982	1981
OPERATING RESULTS (000 omitted)					
Total Income	\$ 79,650	\$ 82,532	\$ 85,970	\$ 85,761	\$ 77,356
Interest Expenses	55,765	60,296	67,692	69,680	67,541
Other Oper. Expenses	4,657	4,128	4,096	3,671	3,730
NET EARNINGS (profit)	12,335	9,318	11,183	7,824	6,085
Paid to St. Treas. (dividend)	3,000	2,500	2,500	2,500	2,750
BALANCE AT YEAR END (000 omitted)					
Total Resources	980,348	829,623	1,029,670	861,966	853,391
Total Deposits	628,871	590,800	475,847	528,645	590,792
Demand Deposits	122,728	104,288	98,959	105,620	100,094
Time Deposits	506,143	486,512	376,888	432,025	490,698
Federal Funds Purchased and Securities Sold Under Repurchase Agreements	246,585	140,840	453,886	238,061	165,743
Federal Funds Sold and Securities Purchased Under Reverse Repurchase Agreements	255,530	262,355	464,380	232,516	215,625
TOTAL INVESTMENT SECURITIES (000 omitted)					
U.S. Government	390,914	235,629	196,346	231,365	179,724
Federal Agencies	300,934	160,028	86,643	97,898	75,401
Other Money Market Instruments	66,400	63,551	98,329	79,588	84,334
ND Political Sub. Bds.	3,228	3,192	3,278	35,482	3,838
	20,352	8,898	8,095	18,397	16,151
TOTAL LOANS (000 omitted)					
Guaranteed Student Loans	236,868	264,804	284,297	326,657	384,450
Farm Real Estate Loans	21,336	27,676	128	2,005	31,051
FHA Home Loans	4,941	2,186	17,993	18,135	42,715
GI Home Loans	103,888	111,267	118,760	126,369	123,141
Small Business Adm. Loans	40,456	42,771	44,926	47,006	47,592
Bank Participation Loans	5,569	7,878	10,408	12,461	15,088
Other Loans	53,439	71,146	86,685	107,769	112,606
	13,604	7,627	8,396	15,912	12,257
CAPITAL AND RESERVES (000 omitted)					
Capital	58,924	55,589	46,425	45,243	41,168
Surplus	20,000	18,000	18,000	16,000	16,000
Undivided Profits	20,000	20,000	18,000	18,000	16,000
Reserve for Contingencies	15,424	14,089	6,925	7,743	7,668
	3,500	3,500	3,500	3,500	1,500
OTHER DATA (Numbers)					
Financial Inst. with BND Accts.	209	205	210	227	221
Individual Checking Accounts	3,000	3,264	3,838	3,836	3,869
Individual Savings Accounts	3,178	4,825	6,764	5,136	3,572
Guaranteed Student Loans (made or purchased)	20,997	15,772	16,250	13,637	18,697
FHA House Loans (made or purchased)	0	0	0	171	451
GI House Loans (made or purchased)	0	0	0	16	17
SBA & BI Loans On Hand	69	91	112	151	156
Bank Participation Loans On Hand	534	471	708	1,511	1,767
Number of Employees	144	130	142	140	147