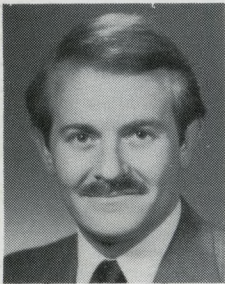


NORTHWESTERN *Banker*

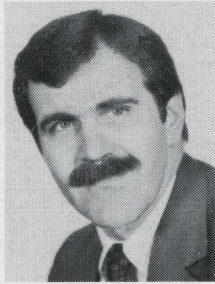
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1983



D.F. BOEHLE



B.G. EILDERS



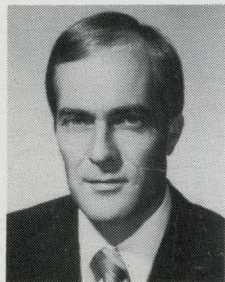
M. BONCHER



L. RUSSELL



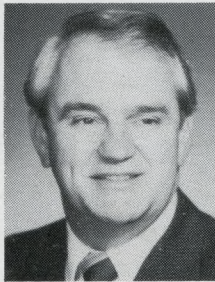
S. NITZBERG



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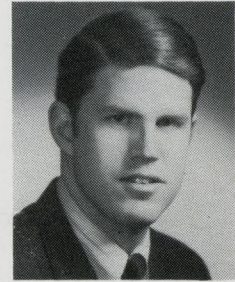
W. ROSACKER



D.G. PEDERSON



B. KERSEY



F.A. KUGELER



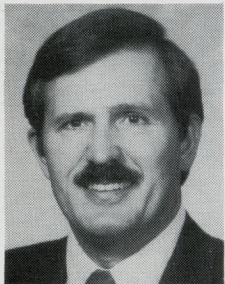
W.J. RICKERT



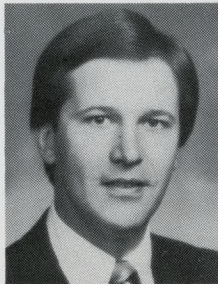
R.W. JACOBSON



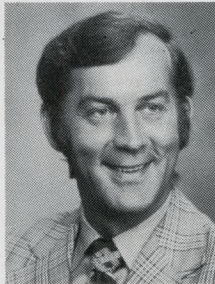
J.E. MANGOLD



B.L. HESSING



M. CALLEN



G.W. STEVENSON

**The most
important
challenges
facing banks
in 1983!**

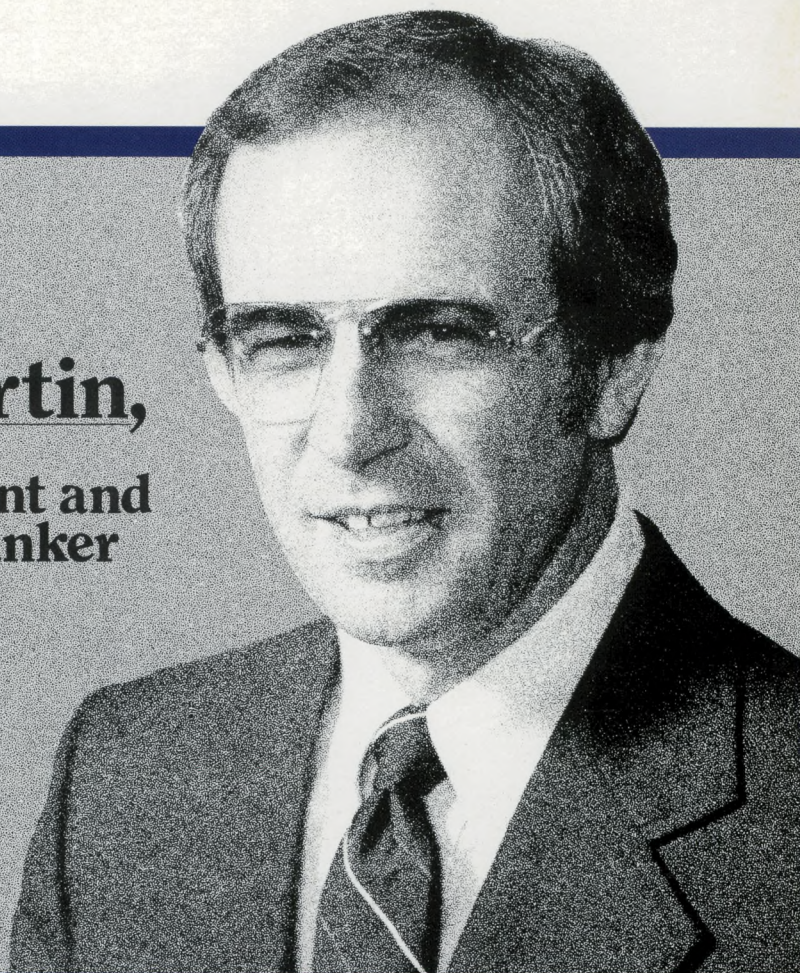
—Exclusive survey

• The new AIB

• Recovery from disaster

Terry M. Martin,

**MNB Vice President and
Correspondent Banker
on "Building
a bond
of trust."**



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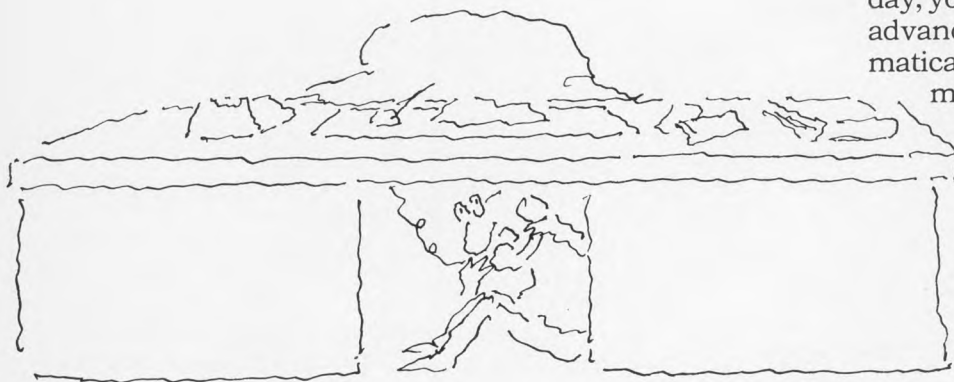


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ON THE COVER

11 Challenges facing banks

City correspondent bankers assess 1983

OTHER FEATURES

18 The new AIB

Interview with Region V Vice President Bill Greaves

19 Recovery from disaster

How Northwestern National, Minneapolis, rebounded

DEPARTMENTS

5 Calendar	38 Montana
7 Bank Promotions	39 Colorado
9 Corporate News	41 Wyoming
22 Illinois	43 Nebraska
25 Minnesota	44 Omaha
26 Twin Cities	48 Lincoln
36 South Dakota	51 Iowa
37 North Dakota	62 Des Moines
	66 Index of Advertisers

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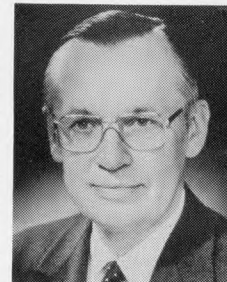
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Roger Anderson Named to Federal Advisory Council

Roger E. Anderson, chairman of the board of Continental Illinois National Bank and Trust Company of Chicago and Continental Illinois Corporation, has been elected to the Federal Reserve System's Federal Advisory Council.



R.E. ANDERSON

Mr. Anderson, who has been with Continental since 1946, also serves on the U.S. Treasury Department's Federal Advisory Committee on the International Monetary System and is currently president of the Association of Reserve City Bankers. Among his other activities, he is a director of Amsted Industries, S.C. Johnson & Sons, and Eastman Kodak Company.

Three Re-elected to Chicago Fed Board

Charles M. Bliss, chairman of the board and chief executive officer of Harris Trust and Savings Bank of Chicago and Harris Bankcorp, Inc., Patrick E. McNarny, president and chief executive officer of the First National Bank of Logansport, Ind., and Mary Garst, manager of the cattle division of The Garst Company, Coon Rapids, Ia., have been re-elected to the board of directors of the Federal Reserve Bank of Chicago.

Mr. Bliss and Mr. McNarny have been elected as Class A or banker directors by member commercial banks within the Federal Reserve District. Mr. Bliss was elected to represent large banks and Mr. McNarny to represent the medium-sized banks of the Seventh District, which spans most of the five state area of Illinois, Indiana, Iowa, Michigan and Wisconsin.

Mrs. Garst serves as one of the Reserve Bank's three Class B directors — nonbankers elected by District member banks to represent a variety of interests, including agriculture, commerce, industry, services, labor, and consumers. Mrs. Garst also serves as a director of International Harvester Company, Burlington Northern Inc., and Northwestern Bell Telephone.

Convention Calendar

- ABA—American Bankers Association
- AIB—American Institute of Banking
- BAI—Bank Administration Institute
- BMA—Bank Marketing Association
- IBAA—Independent Bankers Association of America
- NABW—National Association of Bank Women, Inc.
- RMA—Robert Morris Associates

National Conventions & Schools

- Jan. 23-26—ABA National Trust Conference, Atlanta Hilton, Atlanta, Ga.
- Jan. 31-Feb.1—RMA Term Lending Workshop, Galleria, Houston.
- Feb. 6-9—ABA National Compliance Conference, Omni International, Atlanta, Ga.
- Feb. 6-9—ABA Telecommunications and Financial Networks Workshop, Hyatt Orlando, Kissimmee, Fla.
- Feb. 6-18—ABA National School of Retail Banking, University of Oklahoma, Norman, Okla.
- Feb. 7—RMA Customer Profitability Analysis Workshop, Grand Hotel, Houston.
- Feb. 8-11—ABA National Insurance and Protection Conference of Financial Institutions, Sheraton Twin Towers, Orlando, Fla.
- Feb. 13-16—ABA Conference for Branch Administrators, Fairmont Hotel, Denver, Colo.
- Feb. 20-23—BAI Annual Conference on Bank Security, New Orleans, La.
- Feb. 20-24—BAI Bank Auditor's Conference, St. Francis Hotel, San Francisco.
- Feb. 22-25—ABA Bank Investments Conference, Hyatt Regency, Dallas, Tex.
- Feb. 27-Mar. 2—BAI Conference on Bank Security, Fairmont Hotel, New Orleans.
- Feb. 27-Mar.2—BMA Electronic Banking Conference, Four Seasons Hotel, Houston.
- Feb. 27-Mar.2—BMA Community Bank CEO Seminar, Marriott's Mountain Shadows, Scottsdale, Ariz.
- Feb. 27-Mar.2—ABA Bankers Education and Training Forum, Fairmont Hotel, Denver.
- Mar. 2-5—ABA Corporate/Commercial Marketing Conference, Capital Hilton, Washington, D.C.
- Mar. 6-9—ABA Community Banks Executive Conference, Fairmont Hotel, New Orleans.
- Mar. 7—RMA Loan Review Seminar, Jacksonville Hilton, Jacksonville, Fla.
- Mar. 7-11—RMA Uniform Credit Analysis Seminar, Xerox International Center for Training & Development, Leesburg, Va.
- Mar. 13-15—ABA National Credit & Correspondent Banking Conference, Fairmont, New Orleans.
- Mar. 14-16—RMA Asset-Based Lending Workshop, Atlanta Hilton & Towers, Atlanta.
- Mar. 23-26—ABA Mid Sized Bank CEO Seminar, Marriott's Rancho Las Palmas, Calif.
- Mar. 23-27—IBAA 53rd Annual Convention, Town and Country Hotel, San Diego, Calif.
- Mar. 27-30—BMA Advertising Conference, Hyatt Regency Chicago.

- Apr. 5-7—ABA International Banking Symposium, Hyatt Regency Chicago.
- Apr. 5-8—BAI Check Processing Conference, Marriott Hotel, Chicago.
- Apr. 10-13—IBAA 21st Seminar/Workshop on the One-Bank Holding Company, Alameda Plaza Hotel, Kansas City, Mo.
- Apr. 10-13—ABA National Retail Banking Conference, Hyatt Regency Atlanta, Ga.
- Apr. 14-17—AIB Regional Leaders Workshop, Omaha, Nebr.
- Apr. 17-27—ABA National Commercial Lending School, University of Oklahoma, Norman, Okla.
- Apr. 18-20—IBAA Commodity Marketing Seminar, Chicago, Ill.
- Apr. 24-27—BMA Research and Planning Conference, Hyatt Regency Crystal City, Washington, D.C.
- Apr. 28-May1—AIB Regional Leaders Workshop, Salt Lake City, Utah.
- May 3-6—BAI Accounting and Finance Conference, Amfac Hotel, Dallas.
- May 8-10—Conference of State Bank Supervisors, Annual Convention, The Broadmoor, Colorado Springs, Colo.
- May 8-11—Association of Reserve City Bankers, Annual Meeting, Boca Raton Hotel, Boca Raton, Fla.
- May 8-13—ABA National Commercial Lending Graduate School, University of Oklahoma, Norman, Okla.
- May 15-18—BAI Tax Conference, Hyatt Regency Hotel, Orlando.
- May 22-25—ABA National Operations and Automation Conference, Miami Beach Convention Center, Miami Beach, Fla.
- May 22-27—BMA School of Trust Sales and Marketing, and Essentials of Bank Marketing School, University of Colorado, Boulder, Colo.
- May 22-June 3—BMA School of Bank Marketing, University of Colorado, Boulder, Colo.
- May 28-June 2—ABA National AIB Leaders Conference, Sheraton Washington, Washington, D.C.
- June 5-8—BAI Strategic Planning, Four Seasons Hotel, Houston.
- June 5-17—ABA Stonier Graduate School of Banking, Rutgers University, New Brunswick, N.J.
- June 9-11—Association of Bank Holding Companies, Annual Meeting, Opryland Hotel, Nashville, Tenn.
- July 11-12—IBAA Spread Analysis and Asset/Liability Management Workshop, Hyatt Regency Minneapolis on Nicollet Mall, Minneapolis.
- July 13-16—Central States Conference, Jackson Lake Lodge, Wyo.
- Aug. 8-9—IBAA Spread Analysis and Asset/Liability Management Workshop, Caesar's Tahoe, Lake Tahoe, Nevada.
- Sept. 11-14—ABA National Personnel Conference, Hyatt Regency, Phoenix, Ariz.
- Sept. 12-14—IBAA Commodity Marketing Seminar, Chicago, Ill.
- Sept. 13-16—BMA National Corporate Marketing Conference, Westin Alpine Resort, Vail, Colorado.
- Sept. 14-16—ABA Senior Operations Seminar, Marriott's Marco Beach, Marco Island, Fla.

- Sept. 18-21—NABW Annual Convention, Hyatt Regency, Dallas, Tex.
- Sept. 18-21—BAI National Convention, Fairmont Hotel, San Francisco.
- Sept. 18-23—RMA Loan Management Seminar, The Ohio State University, Columbus.
- Sept. 18-30—ABA National School of Retail Banking, University of Oklahoma, Norman, Okla.
- Sept. 20-23—ABA National Bank Card Convention, Bonaventure, Los Angeles, Calif.
- Oct. 8-12—ABA Annual ABA Convention, Honolulu, Hawaii.
- Oct. 23-25—ABA International Banking Conference, Grand Hyatt New York.
- Oct. 23-26—BMA 68th Annual Convention, Atlanta Hilton, Atlanta, Ga.
- Nov. 2-4—ABA Chief Financial Officer Seminar, Hyatt on Hilton Head, Hilton Head Island, S.C.
- Nov. 2-5—IBAA 23rd Seminar on the One-Bank Holding Company, Marriott's Hilton Head Resort, Hilton Head Island, S.C.
- Nov. 13-16—ABA National Agricultural Bankers Conference, Bonaventure, Los Angeles, Calif.
- Nov. 13-17—BMA Trust Marketing Conference, Fairmont Hotel, Dallas, Tex.

State Conventions & Schools

Colorado:

- Sept. 21-24—Independent Bankers of Colorado Annual Meeting and Convention, Keystone Resort.

Illinois:

- Jan. 24-27—AMBI Washington Trip, Washington, D.C.
- Feb. 23-24—IBA Marketing Conference, Marriott Pavillion Hotel, St. Louis.
- April 5-6—IBA Commercial Credit Conference, Ramada Inn, Champaign.
- Apr. 19-21—IBA Estate Planning Seminars, Mount Vernon, Ill.
- May 4-5—IBA Consumer Credit Conference, Holiday Inn, Decatur.
- May 10-11—Independent Community Banks in Illinois 9th Annual Convention, Holiday Inn East, Springfield.
- May 23-31—IBA Bankers School, Southern Illinois University, Carbondale.
- June 9-11—IBA Annual Convention, Chicago Marriott Hotel.
- June 12-18—IBA Agricultural Lending School, Illinois State University, Normal.
- June 15-18—IBA Advanced Ag Lending Clinic, Illinois State University, Normal.
- June 19-25—IBA Commercial Lending School, Illinois State University, Normal.
- June 10-22—AMBI Executive Graduate School of Banking, University of Illinois, Champaign, Ill.

Iowa:

- Feb. 7-9—IBA Marketing Conference, Des Moines Marriott.
- Feb. 11-12—IBA Group 1 Meeting, Marina Inn, Sioux City.
- Feb. 16-18—IBA State Legislature Trip/Leadership Conference, Des Moines Hyatt.
- Feb. 20-21—IBA Group II Meeting, Holiday Inn, Burlington.
- Feb. 23-25—IBA Midwinter Management Conference, Colo.

CONVENTION CALENDAR...

(Turn to page 6, please)

CONVENTION CALENDAR...

(Continued from page 5)

Mar. 14-16—IBA Ag Credit Conference, Scheman Center, Ames.
Mar. 29-30—IBA Chief Executive Officer Conference, Des Moines.
Apr. 24-27—IBA Washington, D.C. Trip.
June 19-24—Iowa School of Banking, University of Iowa, Iowa City.

Minnesota:

Feb. 8-9—MBA Senior Bank Management Conference.
Mar. 1-3—MBA Marketing Workshops.
Mar. 15-17—MBA Agricultural Work shops.
Apr. 12-14—MBA Lending Workshops.
May 3-6—MBA Washington Legislative Conference, Washington, D.C.
May 9-11—MBA Investment Workshops.
June 20-21—MBA Annual Convention, Hyatt Regency, Minneapolis.
June 26-July 1—Minnesota School of Banking, St. Olaf, Northfield.
July 24-29—Midwest Banking Institute, University of Minnesota, Morris.
Aug. 18-21—Independent Bankers of Minnesota Annual Convention, Arrowwood Lodge, Alexandria.

Montana:

Feb. 9-11—MBA Agricultural Credit Conference, Holiday Inn, Bozeman.
Mar. 31-Apr. 1—MBA Bank Presidents Conference, Colonial, Helena.

Apr. 24-26—MBA Consumer Lending Conference, Big Sky.
May 12-13—MBA Trust Conference, Sheraton, Billings.
May 19-20—MBA Commercial Lending Conference, Colonial, Helena.
June 16-17—MBA Real Estate Conference, Colonial, Helena.
June 28-July 2—MBA Annual Convention & Membership Meeting, Sun Valley.

Nebraska:

Feb. 5-10—NBA Bank Presidents Conference, Marriott Beach Resort, Marco Island, Fla.
Feb. 16-17—NBA Personnel Conference, Kearney.
Feb. 27-Mar. 4—NBA Basic School of Banking, Regency West, Omaha.
Mar. 13-18—NBA Intermediate School of Banking, Regency West, Omaha.
Mar. 30-31—NBA Ag Outlook Conference, Holiday Inn, Kearney.
Apr. 10-16—ABA Leadership Conference, Greenbriar.
Apr. 24-29—ABA Commercial Lending, School, Regency West, Omaha.
May 4-6—NBA Annual Convention, Holiday Inn, Omaha.
June 11-14—NBA Washington Visit.
July 10-15—NBA Trust School, Regency West, Omaha.

North Dakota:

Jan. 26-27—NDBA Bank Management Conference, Kirkwood Motor Inn, Bismarck.

Feb. 16-18—Bank of North Dakota Mid-Winter Break, Bismarck.
Mar. 16-17—NDBA Agricultural Credit Conference, Fargo.
Apr. 26-28—NDBA Washington Legislative and Administrative Conference, Hyatt Regency on Capitol Hill.
May 23-24—NDBA 98th Annual Convention, Civic Auditorium, Grand Forks.
June 5-10—NDBA North Dakota School of Banking, Grand Forks.
Sept. 14-16—Independent Community Banks of North Dakota Annual Convention, Kirkwood Motor Inn, Bismarck.
Sept. 26—NDBA Northeast Group Meeting.
Sept. 27—NDBA Northwest Group Meeting, Rugby.
Sept. 28—NDBA Southwest Group Meeting, Dickinson.
Sept. 29—NDBA Southeast Group Meeting, Ellendale.

South Dakota:

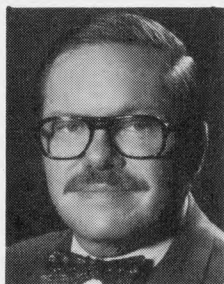
Apr. 6-7—SDBA Ag Credit Conference, Kings Inn, Pierre.
Apr. 20-21—Joint NDBA/SDBA Trust Conference, Holiday Inn City Centre, Sioux Falls.
May 16-17—SDBA Annual Convention, Convention Center, Sioux Falls.

Wyoming:

Feb. 3-4—WBA Credit Conference, Ramada Inn, Casper.
June 15-17—WBA Annual Convention, Jackson Lake Lodge, Jackson.

Fed Governor Partee Testifies on Penn Square

J. Charles Partee, a member of the Federal Reserve System Board of Governors, added another chapter to the intrigue surrounding the collapse last summer of the \$400 million Penn Square Bank of Oklahoma City when he testified last month before the Senate Banking Committee. He testified that the Fed's role was as lender of last resort, as regulator of Penn Square's parent holding company, and one of concern over the impact of bank failures.



J.C. PARTEE

Summarized here are what Governor Partee testified were the relevant facts:

1. On June 30, 1982, Penn Square requested, and was granted, a \$20 million loan from the Kansas City Fed, supported by a pledge of \$26.3 million of the bank's customer notes. The loan was repaid the next day.

2. On July 2, the bank borrowed \$5.7 million, collateralized by \$39.4 million of notes.

3. Over the July 4th weekend the Fed was notified by the Comptroller that Penn Square's losses and irregularities would wipe out its capital and that Penn Square would be unable to meet the demands of depositors and creditors. The Fed notified the Comptroller it would not extend the bank more credit and the Comptroller declared Penn Square insolvent and closed it on July 6.

4. The FDIC, as receiver, paid the \$5.7 million loan owing to the Fed of Kansas City, which returned the collateral to the FDIC.

5. The Fed of Kansas City examined the Penn Square holding company twice between the beginning of 1981 and the failure date in 1982 and found no evidence that any activities of the holding company contributed to or were in any way responsible for the Penn Square Bank's difficulties.

6. Under the receivership, uninsured depositors were to be given "Receiver's Certificates" amounts equal to the uninsured portion of their respective deposits. The Fed announced those certificates would be acceptable as collateral for advances at the discount window. Since then, the Fed has received only a limited number of discount

window borrowing requests on those certificates. As of December 10, 1982, there were no loans outstanding secured by "Receiver's Certificates."

7. The Fed has reviewed the Penn Square episode to determine the capacity of existing bank laws and regulations to handle a similar situation should it occur in the future. "It is our judgment that current banking statutes and regulations, and the supervisory tools available to federal bank regulators are adequate at present to oversee the safety and soundness of our nation's banking system. We would point out once again that the failure of Penn Square resulted from extreme emphasis on growth at the expense of sound lending and funding practices, and in the absence of proper management oversight and controls. The extremely unsound banking practices that caused the failure of the Penn Square Bank represent an isolated instance, not characteristic or typical of most commercial banks or depository institutions generally. Indeed, the evidence we have continues strongly to indicate the overwhelming majority of banks being operated in a sound and prudent manner."

Bank Promotions

THE following promotions and other announcements have been made by these banks:

Bank of America, San Francisco: William H. Bolin and James B. Wiesler have been appointed vice chairmen and will continue in their present positions. Mr. Bolin, 60, is head of the world banking division. Mr. Wiesler, 55, is head of retail banking and consumer services division. They have been with the bank since 1947 and 1949 respectively.

Centerre Bank, St. Louis: Fred H. Entrikin, III, Thomas E. O'Meara, John A. Schreiber and James H. Taylor have been elected vice presidents of the bank.

Terence McCarthy joined the bank recently as assistant vice president with 18 years of advertising and marketing experience. Thomas C. Roeseler was advanced to assistant vice president in operations.

CharterCorp, Kansas City: Charles W. Battey, president of United Telecommunications, Inc., Kansas City, has been elected a director of the bank holding company. He will complete the unexpired term of Charles E. Curry, who has moved to Washington, D. C., to serve as treasurer of the Democratic National Committee. Mr. Battey, who is also a director of First National CharterBank of Kansas City, served 19 years with major banks in Chicago and Kansas City prior to joining United Telecommunications several years ago.

CharterCorp also announced the election of Earl R. Fell, Michael F. Gegen and Leland M. Walker as senior vice presidents.

Mr. Fell joined CharterCorp in 1976 and is personnel director. Prior to 1976 he was vice president with First National Bank of Lincoln, Nebr. He is also senior vice president of the subsidiary Charter Bankers Life Insurance Co.

Mr. Gegen and Mr. Walker both are regional managers with the holding company, serving its 25 suburban and rural banks.

Commerce Bank of Kansas City: The election of four new officers and promotions for 11 officers were announced last month.

New officers are Paul S. Franklin, commercial banking officer; Robert J. Rauscher, consumer banking officer; Gilbert P. Bourk, III, and Steven L. Burks, trust officers.

Mr. Franklin joined Commerce in 1978 and continues as assistant manager in commercial loan operations. Mr. Rauscher, an employee since 1979, continues also as security/customer service supervisor. Mr. Bourk, who has a law degree from Washburn University is in corporate trust. Mr. Burks, who has a finance degree from the University of Missouri and did graduate work at Kansas State University at Pittsburg, is in trust marketing. Most recently, he headed the trust department of a Dallas bank.

Stephen J. Freidell was named vice president in the bond department, where he will continue as manager of the money market center.

Named assistant vice presidents were: Phyllis J. Sarratt, assistant manager of money market center; Thomas H. Kokjer, bond trader; Betty L. Conrad, manager in commercial loan operations; John S. Archer, commercial lending officer in the U. S. banking department; H. Dean Valentine, assistant manager, installment loan department; Peter L. Hays, commercial banking officer, corporate services department; Stanley E. Ricketts, commercial banking officer, U. S. banking department, and Tom R. Jennings, correspondent banking officer.

Appointed senior trust officers in the corporate trust department were Leland R. Johnson, Jr., employee benefits, and Robert J. Glidewell, who is also assistant secretary.

Continental Bank, Chicago: Directors have elected eight senior vice presidents:

James H. Davis, who heads divisions in the metropolitan Chicago manufacturing group of the U. S. banking department.

David E. Maguire, head of corporate personnel service.

John A. McAdams, who is responsible for the Asia/Pacific division of the international banking department.

Alvin J. Pearson, head of the

bank's Oklahoma City office.

Alex J. Pollock, who heads the corporate planning research and development area.

Kenneth J. Rudnick, responsible for staff services in the general banking services department.

Robert G. Schiewe, head of the operations area of the trust and investment services department.

William N. Termyn, manager of the transportation, marine industries and leasing group.

First National Bank of Kansas City: Robert K. McCall and Karen E. Mills have been promoted to vice presidents, and Denise M. Nevinger and Rhonda Holman have been advanced to assistant vice presidents.

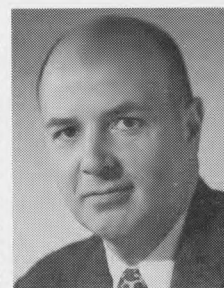
Mr. McCall has been a commercial loan officer since 1981. Mrs. Mills currently has responsibilities in the metropolitan division. Mrs. Nevinger is funds transfer manager. Mrs. Holman currently is on assignment with the enrichment group.

In addition, three new assistant cashiers have been named: Gerald J. Donahue, Jr., and Mitchell T. Morgan, loan officers in the metropolitan division, and Daniel L. Mildfelt, loan officer in the correspondent department and energy group.

Elliott Passman was elected an international banking officer.

Harris Bank, Chicago: Richard

L. McAuliffe, 47, last month was appointed chief financial officer of the bank to succeed Theodore H. Roberts, who was appointed December 3 as president and chief executive officer of the Federal Reserve Bank of St. Louis.



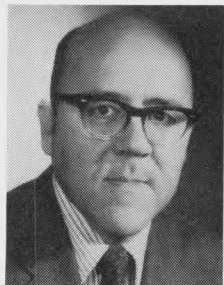
R.L. MC AULIFFE

of the Federal Reserve Bank of St. Louis.

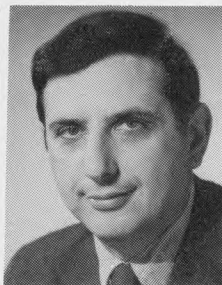
Mr. Roberts, 53, will assume his new duties February 1, succeeding Lawrence K. Roos, president of the St. Louis Fed for six years, who will reach the mandatory retirement age of 65 on that date.

Reporting to Mr. McAuliffe at Harris Bank will be the financial control group, the corporate activities office, the economic research office and planning administration.

Harris directors also elected Mr. McAuliffe later in the month as an executive vice president of both the



T.H. ROBERTS



P.D. HUBBARD

bank and its holding company, Harris Bankcorp, Inc.

Mr. McAuliffe, who had been head of the planning administration, will be succeeded by Senior Vice Presi-

dent P. David Hubbard, 47. Mr. Hubbard's most recent assignment was in the banking department, where he was in charge of the analysis and support group. Mr. Hubbard joined the bank in 1962.

Mr. McAuliffe joined the bank in 1960, became a vice president in 1966, served as head of the banking services group, became controller of the bank in 1978 and was named to his planning administration post as senior vice president in 1980.

Mr. McAuliffe is a 1957 graduate of Carleton College, Northfield, Minn., where he is presently a trustee. He also serves as a director of

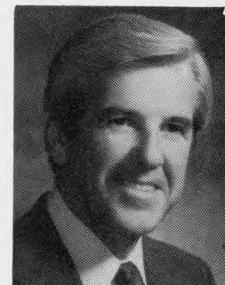
Gerber Products Company, Fremont, Mich. He received his MBA from Harvard in 1959.

A native of Arkansas, Mr. Roberts was graduated from Northwestern State University of Louisiana with a BA in 1949 and from Oklahoma State University in 1950 with an MA in political science. He also attended the Graduate School of Business at the University of Chicago. After three years in the Army in Korea he joined Harris Bank in October, 1953 in the financial and economic research department. After a series of posts and promotions, he was named executive vice president chairing the asset-liability management committee and has been the bank's chief financial officer.

Harris Bank officials also announced the election of three new senior vice presidents. In the trust department Richard C. Caldwell heads the institutional trust administration group. Named in the operations department were Alan E. Hanzlik, head of the currency and check processing group, and Max M. Jacobson, head of the administrative services division.

United Missouri Bank of Kansas City: J. Lyle Wells, Jr., has been elected vice chairman of United Missouri Bancshares, Inc., the holding company, and of United Missouri Bank. He will remain chairman of the executive committee and a director of City Bank and Trust Company. He joined City National Bank, now United Missouri Bank, in 1956.

Wells Fargo Bank, San Francisco: Richard Borda, executive vice president, has been named head of the newly organized domestic correspondent banking division in the corporate banking group, it was announced by R. Thomas Decker, executive vice president and group head. Mr. Borda will continue to be based in Los Angeles.



R.J. BORDA

Banks Like Customized Newsletter

A CUSTOMIZED money-management newsletter that helps cross-sell bank services "is getting better results than any of our traditional advertising sources," reports Joe Nordlund, president of First State Bank of Apple Valley, Minn. Mr. Nordlund said that at his bank, "we just did a readership study" that verifies the high readership and impact of the newsletter.

The study, he said, showed that 92% of the bank's high-deposit customers read it, and 45% pass it on to another family member. "In fact," he added, "some people bring it to work and route it through the office."

The First State Bank survey shows that of those reading it, 57% said they had not found the information anywhere else; 80% found it timely; 90% found it easy to read, and 72% said it was pertinent to their financial situation.

Some typical articles in recent issues of the bank newsletter that developed this strong, interested readership include: What Are Your Chances of Being Audited?; How to Retire in Style; The Seven Most Commonly Asked Questions About IRAs; How to Lower Taxes on Gifts; New Federal Income Tax Rates.

The newsletter mailed to bank customers by First State Bank is prepared by Priority Publications in Bloomington, Minn., which customizes each issue for the individual bank using the service. Mary O'Donnell, a representative for Priority, said the company describes the newsletters as informational advertising on behalf of the subscribing banks. Several banks already have moved to use of the newsletter, she said, since the new service was announced a few months ago (September NORTHWESTERN BANKER, page 11), and all with excellent results. The main thrust of the newsletter is to show customers how to use bank services to maximum advantage.

Miss O'Donnell referred to a new study of the banking industry by McKinsey and Company which predicts that community banks will move to informational advertising to counter the encroachment of money-center banks and near-banks. To make the newsletters as useful as possible in meeting this competition, she says, "we periodically poll a cross-section of bank customers to find what subjects they're most interested in. Then, we cover those subjects from three or four angles, using a telegraphic, highly readable style."

Apparently, a growing number of community banks agree with this assessment for 13 of them currently are using one of Priority Publication's two formats—one written for high-deposit retail accounts, the other for commercial accounts. In addition, Miss O'Donnell reports, another 12 community banks have contacted the company since the first newsletter actually was marketed in October. □



J. NORDLUND

Corporate

PROMOTIONS and other announcements have been made by the following firms:

American Express Company, New York: Louis V. Gerstner, Jr., vice chairman of the company and chairman and chief executive officer of its American Express Travel Related Services Company (TRS), has announced that Aldo Papone rejoined American Express January 1 as vice chairman of TRS. Mr. Gerstner also announced that William M. McCormick has been promoted to vice chairman of TRS.



A. PAPONE

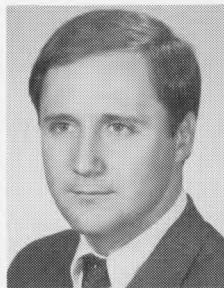


W.M. MC CORMICK

Mr. Papone served in various capacities at American Express from 1974 to 1980 when he joined Dayton Hudson Corporation in Minneapolis. As vice chairman there, he was responsible for five of the national retailer's eight operating companies. In his new position, he will be responsible for TRS' communications division (*Travel & Leisure* and *Food & Wine* magazines and other publishing and merchandising operations), the financial institutions services division (First Data Resources and American Express Money Orders), and the American Express Service Corporation (a direct marketer of consumer financial services). He will also serve as a director of Warner Amex Cable Communications, a joint venture of American Express and Warner Communications, Inc.

Mr. McCormick began his American Express career with its international banking corporation. Since October, 1981, he has managed the company's worldwide Card and Travelers Cheque businesses as president of its Consumer Financial Services Group. As vice chairman of the TRS Company, he will continue to manage those businesses worldwide.

Banco Financial Corporation, Minneapolis: Jack L. Hart, vice president, has returned to Minneapolis headquarters where he has rejoined the loan administration group.



J. HART

A graduate of the University of Minnesota with majors in accounting and business administration, Mr. Hart joined Banco Financial in 1975 after two years with James Talcott, Inc. He held various positions with BFC, including auditor and loan administrators. In 1978 he was elected assistant vice president. Then in 1981 he was appointed vice president and manager of the first branch office opened by BFC, located in Denver, Colo., serving the Rocky Mountain and surrounding area.

Banco Financial is a subsidiary of the \$17 billion Northwest Bancorporation, Minneapolis.

Brandt, Inc., Watertown, Wis.: A restructuring of the corporate marketing organization, which began in August with the naming of Terrance E. Johnson as vice president-sales, has given new positions and responsibilities to five department staff members.

David A. Deetz, Thomas E. Kozlik and Charles R. Harris, formerly regional sales managers for the firm, have been named market manager — finance; market manager — retail, and market manager — specialty, respectively. These new positions give the men responsibility for intensive analysis and development of different markets where products of Brandt's coin products division, currency systems division and business products group are sold.

In other appointments, Brian E. Nicholas was promoted from market planning manager to marketing services manager, and Joseph L. Schnorr was promoted from sales administration manager to customer service manager.

In a related change among staff members at Brandt, Edward Melchior, who was national service

manager in the company's field service division, has taken the same title in the corporate marketing department, where he will administer a corporate service policy to maintain a single image for Brandt equipment service.

Central National Insurance Group, Omaha: James K. Twiss has been promoted to executive vice president-marketing, and James E. Rosenthal, CPA, has been promoted to executive vice president. Mr. Twiss joined the company as a vice president in 1963. Mr. Rosenthal joined Central National in 1970.

Other promotions announced by Frank J. Barrett, president and chief executive officer were:

L. Tim Wagner, CPCU, to senior vice president-research, development and planning, of all the companies in the group.

David L. Haslanger to vice president-mobile home sales, of all the companies.

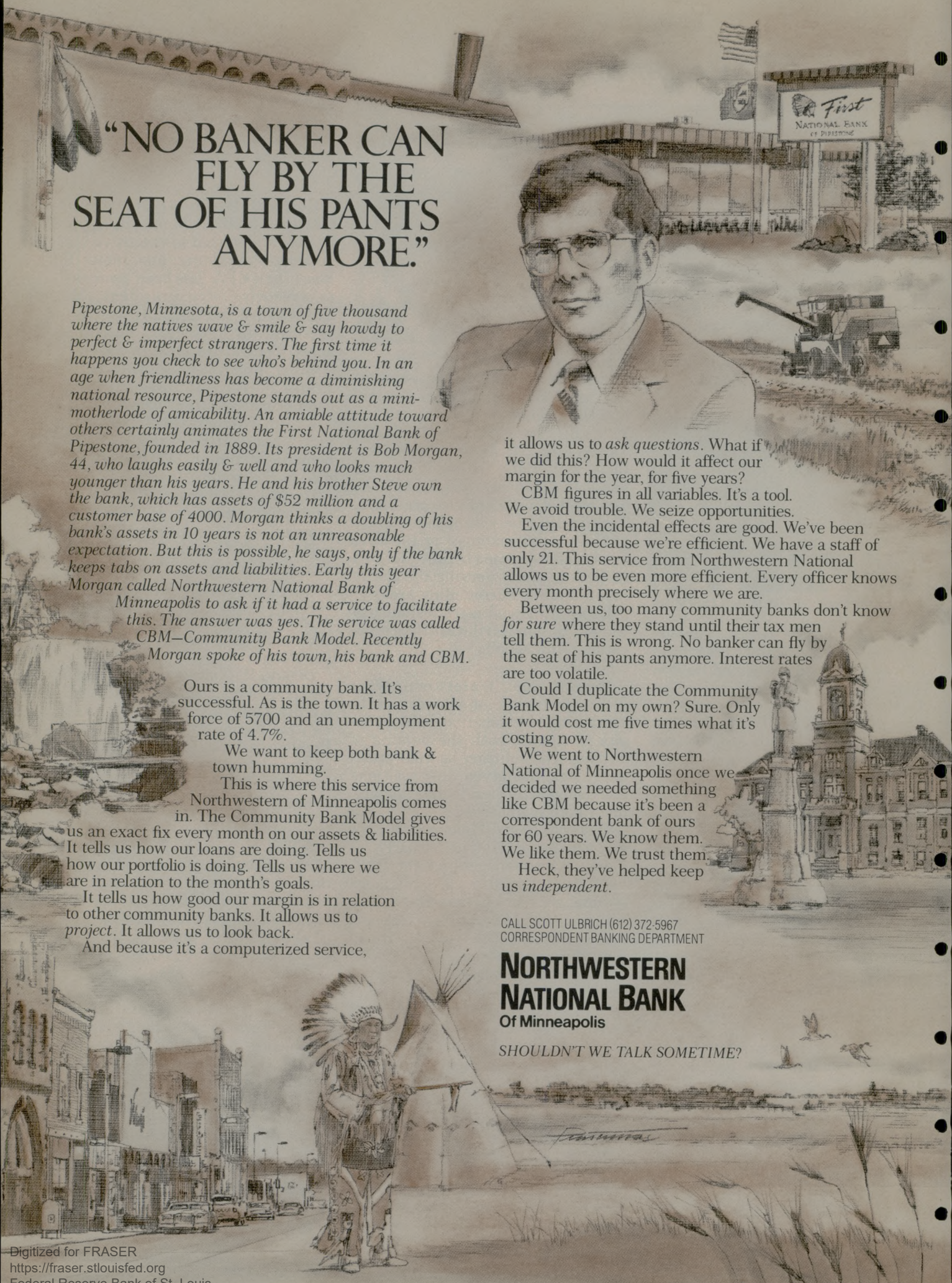
Donald S. Campbell to assistant vice president-marketing of all the companies. He joined the company earlier this year. He had been president of Lenders Insurance Systems, Inc., and president of Midlands Brokerage.

Donald H. Nachtman to assistant vice president-credit life and disability division. Mr. Nachtman joined Central National earlier this year. Previously, he owned his own agency and also had extensive credit life insurance sales experience among banks in Iowa.

ATM Network Management Corp., Downers Grove, Ill.: E. L. Smith, president, announced the election of James R. McDermott as president of SATM Midwest, Inc., a newly-formed subsidiary of the parent company.

ATM Network Management is the owner and operator of SATM (Shared Automated Teller Machines) Switching (computer) Centers across the United States, linking ATMs, point-of-sale and other consumer-oriented devices together to accommodate sharing of them on a national basis.

Mr. McDermott previously was senior vice president and director of operations of the Premier Banks of Northern Illinois, a group of five banks in Metropolitan Chicago, for seven years.



"NO BANKER CAN FLY BY THE SEAT OF HIS PANTS ANYMORE."

Pipestone, Minnesota, is a town of five thousand where the natives wave & smile & say howdy to perfect & imperfect strangers. The first time it happens you check to see who's behind you. In an age when friendliness has become a diminishing national resource, Pipestone stands out as a mini-motherlode of amicability. An amiable attitude toward others certainly animates the First National Bank of Pipestone, founded in 1889. Its president is Bob Morgan, 44, who laughs easily & well and who looks much younger than his years. He and his brother Steve own the bank, which has assets of \$52 million and a customer base of 4000. Morgan thinks a doubling of his bank's assets in 10 years is not an unreasonable expectation. But this is possible, he says, only if the bank keeps tabs on assets and liabilities. Early this year Morgan called Northwestern National Bank of Minneapolis to ask if it had a service to facilitate this. The answer was yes. The service was called CBM—Community Bank Model. Recently Morgan spoke of his town, his bank and CBM.

Ours is a community bank. It's successful. As is the town. It has a work force of 5700 and an unemployment rate of 4.7%.

We want to keep both bank & town humming.

This is where this service from Northwestern of Minneapolis comes in. The Community Bank Model gives us an exact fix every month on our assets & liabilities. It tells us how our loans are doing. Tells us how our portfolio is doing. Tells us where we are in relation to the month's goals.

It tells us how good our margin is in relation to other community banks. It allows us to project. It allows us to look back.

And because it's a computerized service,

it allows us to ask questions. What if we did this? How would it affect our margin for the year, for five years?

CBM figures in all variables. It's a tool. We avoid trouble. We seize opportunities.

Even the incidental effects are good. We've been successful because we're efficient. We have a staff of only 21. This service from Northwestern National allows us to be even more efficient. Every officer knows every month precisely where we are.

Between us, too many community banks don't know for sure where they stand until their tax men tell them. This is wrong. No banker can fly by the seat of his pants anymore. Interest rates are too volatile.

Could I duplicate the Community Bank Model on my own? Sure. Only it would cost me five times what it's costing now.

We went to Northwestern National of Minneapolis once we decided we needed something like CBM because it's been a correspondent bank of ours for 60 years. We know them. We like them. We trust them.

Heck, they've helped keep us independent.

CALL SCOTT ULBRICH (612) 372-5967
CORRESPONDENT BANKING DEPARTMENT

**NORTHWESTERN
NATIONAL BANK**
Of Minneapolis

SHOULDN'T WE TALK SOMETIME?

The most important challenges facing banks in 1983!

A NORTHWESTERN BANKER SURVEY

WHEN Charles Dickens wrote his introductory lines to *A Tale of Two Cities*:

"It was the best of times,

"It was the worst of times"

...he described unknowingly the scenario for today's financial business.

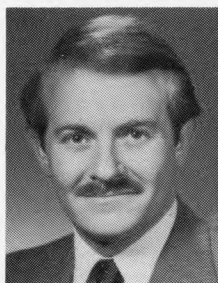
As 1982 was drawing to a close, the Federal Reserve Board had achieved success in reducing inflation from double digits to about 5%. This effort had been supported by all as a national goal, but in its wake was 10% unemployment and a federal budget deficit estimated at from \$125 to \$180 billions. Business in all sectors was down; agriculture especially had taken a bad beating for the third year in a row, which shut down the farm machinery business and other businesses related to agriculture.

Banks and thrifts were positioning themselves to market the new Money Market Deposit Account which Congress on October 1 ordered the Depository Institutions Deregulatory Committee to draw up. At their December 6 meeting to finalize details of the plan, the DIDC announced the details of that plan but also rushed in to add a Super NOW Account that may be offered January 5. No one expected the latter account to be plugged in so soon after going to market with the MMDA, so that added to the confusion.

But signs began to appear in the fourth quarter that the recession was ending and that a turnaround was just ahead, with gradual recovery in 1983 an agreed upon forecast by most economists.

With that backdrop, the NORTHWESTERN BANKER invited city correspondent banks to give their assessment of "The Most Important Challenges Facing

Banks in 1983." Their banks have continued their traditional role of service to community banks and, in addition, have expanded their services in order to assist respondent banks in planning for the changes needed to face the challenges ahead, such as designing ways to market the new, no-interest-ceiling deposit accounts. Practically all the responses were prepared before the DIDC's December 6 meeting, although planning for the account effective December 14 had been underway for many weeks. Following are the comments of those responding to the survey:



DANIEL F. BOEHLE

Vice President
The Omaha National Bank
Omaha, Nebr.

SUCH TOPICS as asset liability management, new money market/depository instruments, and all other efforts to maintain a competitive stance in a deregulated environment will continue to be important issues as we move into 1983. However, one issue will very likely take a large share of bankers time in 1983. That issue will be encompassed in the efforts to maintain loan quality.

In the bread basket of the nation, commodity prices have been poor and profits have been difficult to attain. With the economic difficulties in the agricultural industry, we have begun to see a discernible erosion in

land values. The difficulties with loans which have been extended to producers of agricultural products is certainly being felt up and down main street of small-town America. The businesses which directly support and obtain their livelihood from the agricultural producer have felt the difficulties of these economic times. With the erosion of collateral values and the effects of high leverage in certain agricultural loans, there are and will be problems which require close monitoring; and, in some instances, the loans will have to be bolstered with additional collateral and a repayment plan that has a high degree of probability.

Agriculture has had difficult times in the past and has met the challenges. The strength of the ag industry and the related agri-businesses continues to be unmatched in the world. I am confident that conditions will improve over time; however, focusing on loan quality and the efforts to maintain loan quality will take even more attention than in the past.



BEN G. EILDERS
Vice President
Bankers Trust Company
Des Moines, Iowa

BANKING is still banking and the most important challenge facing banks in 1983 is to provide for the financial health of the communities we serve.

Critical areas that will challenge us are competition, indentifying our product and marketing it, deregulation, interest rates, and profitability.

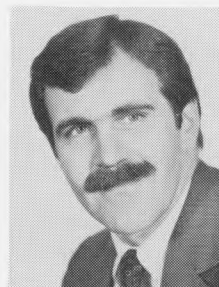
We are constantly facing major changes in our market place and in our competition. Our depositors have become rate sensitive and have been exposed to a variety of products offered by our non-banking competition who do not have to cope with regulatory constraints. Being full service institutions, we must make every effort to cross-sell all services which should be geared to customer needs and wants. We should determine what product we want to offer, how we want to price it and what results we hope to achieve from it.

To some of us the Federal Reserve has become competition for correspondent business. Being a regulator and a provider of services has created much debate. Pricing is critical! Our response is that we can be competitive if the ground rules are the same for all of us.

Deregulation means increased interest costs to banks and must be overcome by fee income and the repricing of assets. The latter is a necessity to insure profit margins in the face of increased cost of funds. Reduction in interest rates while the economy continues to struggle has likewise caused a reduction in margin spreads.

Maintaining profitability is certainly a challenge. Asset/Liability management is where banks can add to profits. An A/L committee has the responsibility for matching maturities of assets and liabilities. Loans and other forms of credit must be geared to sources of funds. Many new services will be fee-based and pricing will be reviewed to obtain a proper rate of return.

Strategic planning for developing objectives and goals for the near-term and the long-term is a continuing process. It is necessary to deal successfully with the changes that seem to be coming at us at an ever increasing pace.



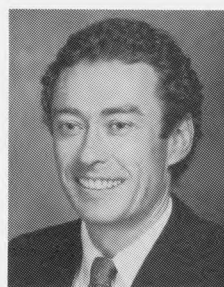
MICHAEL E. BONCHER
Vice President
First Bank Minneapolis
Minneapolis, Minn.

THE agricultural economy, asset/liability management and non-bank competition are three major challenges facing banks in 1983.

In the agricultural area, the high costs of farming, along with low commodity prices, have created a difficult environment. Banks will need to monitor ag loans closely to help their farm customers through the rough times. Those farms and banks that can weather the economic storm will emerge with a stronger relationship.

Asset/liability management is also critical to banks in 1983 and beyond because of changes that include the new DIDC products. In addition, the increased cost of funds will tighten the existing pressure on margins and intensify competition for deposits.

Finally, non-bank competition is here to stay and is on the increase. The coming year will be a time when community banks should pay particular attention to ensuring solid customer loyalty and relationships.



LARRY E. RUSSELL
Vice President
United Missouri Bank
of Kansas City
Kansas City, Mo.

THE ROLE of the bond portfolio in bank profitability will continue to be increasingly important in 1983. The one thing we *know* about interest rates for 1983 is that the outlook is cloudy, uncertain, and difficult to project. If you subscribe to this line of thought, utilizing the bond portfolio and gap management *can* minimize the exposure of your institution to interest rate movement.

In line with the achievement of profitability goals and necessary growth of capital accounts, maximization of after-tax income is a must. Tax planning should begin the first business day of 1983 with constant monitoring of income levels, asset mix, and projections to the end of the year. The bond portfolio is the most flexible tool the community banker has at his disposal to "fine tune" variables that ultimately determine federal income tax liability and after-tax income.


STANLEY NITZBERG

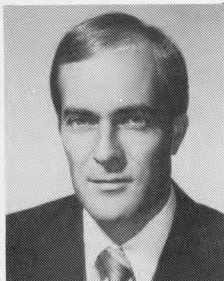
Vice President
First National Bank of
Chicago, Illinois

HOW DO WE choose among the challenges before us of Fed Pricing, personal financial conglomerates, high unemployment, and disinflation? We must choose those which can be addressed within our institutions and, in doing so, maintain the flexibility and strength to compete profitably in any environment.

Allocating Resources—The willingness to examine strengths and weaknesses and then allocate resources to profitable, growing businesses and *get out of* unprofitable, non-differentiated activities is a critical challenge. This pertains to all bank areas. We cannot allow past practices or personal egos to guide our efforts. With pressures on net interest margin from removal of Reg Q, and expense growth difficult to contain, decisive allocation of expenses, people and assets is vital.

Strengthening the Balance Sheet—A strong, flexible balance sheet will be necessary to compete. The next 9-12 months will provide a good window of opportunity to clean house. As appropriate, sell off longer-term, low yielding assets, rebuild the allowance for possible loan losses, and lock-in a proportion of longer-term fixed rate liabilities. It will be important to upgrade asset and liability tools to handle the impact of new money market liability funding sources.

Maintaining Credit Quality—An upward trend in economic activity in 1983 may result in increased credit demands. As we have all experienced soft-loan demand in 1982, the temptation to ease standards to build volume is natural. The willingness to maintain credit and pricing standards in the face of competitive pressures will challenge us all. History has proven itself that the greatest number of corporate credit problems tend to occur in the early stages of recovery.


LEE BACHAND

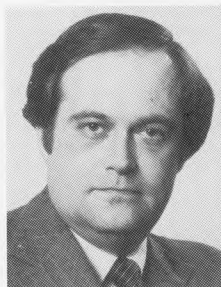
Vice President
United States National Bank
Omaha, Nebr.

TURBULENCE might be a fitting word to describe 1983 for the financial industry. Like the de-regulated airlines we might be in for some bumpy flights. De-regulation and subsequent change will cause the turbulence. New products, services, and competitors will be showing up at an alarming pace.

Adjusting to the changes will affect more than the wear and tear on the banker. It will affect the bottom line through increased cost of operation and narrowing

spreads. New products cost money to design and introduce. De-regulated deposit products will be high priced at the inception as we all scramble to gain or retain market share. Low loan demand will hold price to the borrower at low levels than we would like. The soft economy and poor commodity prices will increase the possibility of loan losses, further dampening profit prospects.

We will all have to examine the potential sources of products and management tools, which will be necessary to be competitive. It will be virtually impossible even for large banks to go it alone. Now is a good time to be assessing our product leads and finding suppliers for those products.


WILLIAM ROSACKER

Senior Vice President
F&M Marquette National Bank
Minneapolis, Minn.

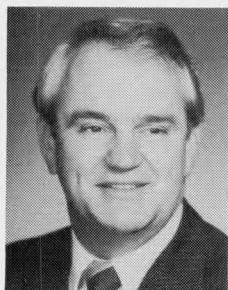
IN OUR VIEW, creativity is going to be the most significant challenge for bankers in 1983 and beyond. We are going to have to be more creative in our approach to pricing, product development and the generation of alternative sources of income. In an era of deregulation, our spreads will erode, more rapidly perhaps, than any of us anticipate at this time. Without creative attention to the bottom line, bankers' profits will diminish substantially in the coming years.

We must also concentrate on developing products and services that will make our customers more profitable. We have to become sophisticated in the ways we analyze our customers' needs. And we must respond to those needs in new and innovative ways.

Historically, the primary functions of banks have been to store, transfer and lend funds. Today, that approach is wholly insufficient. It's insufficient for the customer whose financial needs lie far beyond signature card banking. And, perhaps more importantly, it's insufficient for bankers because the profits are simply not going to be there.

In 1983, banks must begin to find ways to reduce operating overhead and increase operating income at the same time. One avenue open to independent bankers is to participate in the many management services offered by their correspondent banks. Cash management, training for personal bankers, tellers, loan officers and operations personnel, as well as audit and computer modeling services can be very productive for the bankers who wish to reduce overhead.

With the new Hi-Fi accounts, interest expense will rise, perhaps more quickly and dramatically than any of us envision at this time. As a result, we are going to have to find creative ways to control operating overhead, increase income by examining the pricing of products and services and generate new income sources. These tasks will challenge even the most creative banker.



DONALD G. PEDERSON
Senior Vice President
Northwestern National Bank
Minneapolis, Minn.

WHEN we as bankers sit back and try to envision the challenges we face in 1983, I for one find it hard to pinpoint a few as most important. Surely, some will affect us greater than others; and the most notable, probably because of press coverage, are the Federal Reserve competition issue, non-financial competition, and the Reserve Requirement Reform Act of 1982, only to mention a few.

However, I believe that I view these three issues that should be of deep concern to any bank, regardless of its size or location. They are:

- (1) concern over the agricultural position,
- (2) concern over loan quality, and
- (3) strategic planning.

I would like to comment briefly on these three issues.

1. During the coming year and the years to follow, agricultural bankers will face challenges never before experienced in their lifetime. The ag banker must cope with a depressed farm economy which has created serious cash flow problems and eroding financial conditions. As ag bankers, we must be able to evaluate our troubled borrowers and develop a survival strategy for those otherwise credit-worthy borrowers who are victims of the depressed farm economy. We must step out of our traditional role as lenders and provide more non-credit services, particularly in the ag area of new technologies which are designed to assist the farmer with financial planning and farm management. No one can deny that we are facing a most crucial period in agriculture, and that our biggest challenge will be in providing the professional advice and expertise that is expected of an agricultural banker.

2. We should be concerned over the loan quality of our portfolios. This will be an issue regardless of the direction the economy takes in 1983. Repayment capacity has been seriously impaired during the past couple of years and, as a result, we have found increased delinquencies, defaults, increased reduced rates and/or non-accruals, and real and/or potential losses. These are coupled with extreme pressure on net income interest margin as a result of the severe competition for a narrowing supply of good credits in the market-place. This has produced very aggressive pricing and credit structure competition. Constant monitoring of our portfolios is essential as we go forward into 1983.

3. Finally, I firmly believe every bank must have a sound, strategic plan that addresses, to the best of its ability, what course it should follow into 1983 that will be in its best interest. Every bank, again regardless of size, must have a solid base to compete in a deregulated environment in order to survive. This plan should include an asset/liability management program to bet-

ter manage both sides of its own balance sheet, and it should include an analysis of which market segment it should be in and those in which it should not be. The plan should prepare the bank to respond quickly and competitively to new ideas or products; and to provide plans for possible acquisitions, mergers, loan growth, pricing, etc.

I believe the future is very challenging and exciting, the challenges must be dealt with with competence and enthusiasm in order to succeed.

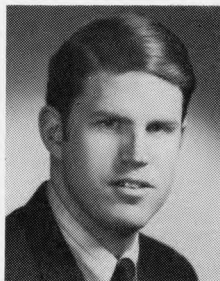


BERNARD KERSEY
Vice President
Iowa-Des Moines National Bank
Des Moines, Iowa

THE NEW YEAR will see banks of all sizes making a continuing effort to adjust to a changing environment created by economic circumstances and regulatory change. The condition of our economy has impacted many of our customers and has required a renewed emphasis on basic credit procedures and loan administration. Not only is loan quality a major concern, but sluggish loan demand has impacted the ability of many banks to profitably employ an increasing level of expensive deposits, thus bringing about an intensive effort to increase non-interest income where possible. Yet, we can't ignore the long range implication of regulatory changes on our mode of doing business.

Banks will continue to rely heavily on computer technology; not only as a means of improving funds management sophistication as an aid in meeting earnings goals and objectives, but also to assist in identifying the risks and opportunities created by new products and services before they are introduced. A keen assessment of resources will be required in determining a bank's ability to offer new products and compete in new markets. It will be important for banks to identify sources of expertise it can rely upon to satisfy customer's needs it cannot satisfy on its own.

Continuing competition from the non-financials should be a big incentive for banks to strengthen their marketing efforts. A formal marketing program supported by skilled personnel could prove to be the best competitive weapon available.



FRANK A. KUGELER
Vice President
Colorado National Bank
Denver, Colo.

THE CHALLENGES of 1983 are easy to list, but harder to place priorities on since each bank's problems and opportunities differ somewhat. Certainly,

competitive pressures complicated by deregulation (or reregulation), the resulting increase in costs and the doubtful nature of credit quality are three problems we all share to some extent.

The temptation to match each new service offered in the financial market-place can cause a nightmare of operational problems and pricing errors from which it can take years to recover. Money market accounts, controlled disbursement activities and an ever-lengthening list of certificated deposits (e.g. IRA, 182 day or 91 day money markets and 7-31 day CD's) can be costly to offer and significantly re-shape a bank's liability structure while increasing the cost of funds. Likewise, electronic banking service may require large capital commitments initially, but provide significant long-term benefits.

The increased cost arising from the gradual extinction of demand deposits will be hard to pass through to borrowers. Instead, accompanying services will have to be repriced (or charged for, if previously free) on a gradual and periodic basis. Also, non-interest costs like personnel, occupancy, equipment, postage and supplies are absorbing more and more of net interest margin so that long-run, cost-containment procedures can have immediate impact.

A slow but steady recovery in the economy will help alleviate credit problems where loan restructuring or loan-loss reserve allocations have been made. However, when the tide goes out, we all know what may be left on the beach, and the ability of some businesses to survive recovery will be tested. Also, low earning rates as interest levels continue to decline place more pressure on interest margins, and this can continue for several quarters once the economy begins to bounce back.

The critical issues for 1983 do not really differ from those for 1982 and will very likely be with us for several years to come. If we are to deal with them successfully, we must put in place soundly based strategies which reflect each individual bank's definition of what we are, what our market is, and how we can best service it while earning a desirable rate of return on invested capital.



WILLIAM J. RICKERT
Senior Vice President
National Bank of Waterloo
Waterloo, Iowa

DESPITE all the concern for asset-liability management, spreads, and maturity analysis, I have a far greater concern. That is—the *quality* of your asset base. Have a firm loan policy with definite guidelines. Insist—perhaps with a formal check list—on complete documentation with current, accurate financials.

Right now loan-to-deposit ratios are down and with rates as they are, new loans are extremely attractive; but I believe 70 - 80% ratios could be extremely risky. Inflation policies in the past enabled us to cover static loans with rapidly increasing deposits. Temporarily

short term rates on purchased liabilities look attractive, but this can change rapidly and lead to serious problems.

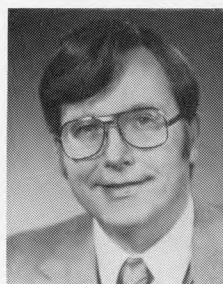
Look at your bond portfolio—and if you don't feel comfortable with it—get some professional help. It should be one of your strengths and yet so easy to mismanage.

In setting your loan rates, remember this is the year the Iowa Legislature will look again at the usury issue. We can't cover all our loan charge-offs with too high interest from our other borrowers, so rates will have to come down or it will be difficult to get much help from our legislators.

Fed pricing has established real fees in the market place and many banks have paid service and analysis charges for the first time ever. This will continue and it will be up to you to cover costs with balances or fees. There is no "free lunch."

Deregulation gives us the opportunity to compete effectively with money funds. We've got a plus in our solid core deposit base, but we obviously will need to be competitive in rates offered. If you haven't already done so, develop or acquire a spread sheet so you know what you can pay (but not too much at the expense of your good borrowers).

Finally, banking is a good business. I'm proud to be in it. It's up to us to continue to provide the leadership that has made us respected in the communities we serve. Let us see what tools we have available in our decision making processes to minimize our risk, maximize our profits, keep our directors and shareholders happy, and keep the respect and trust of our customers. It's a tall order, but you can do it.



ROBERT W. JACOBSON
Vice President
American National Bank
and Trust Company
Saint Paul, Minn.

ALTHOUGH there has been talk about deregulation for many years, 1983 promises to be the year in which the impact of deregulation will start to be felt. During the period 1983-1986, the total impact of this change must be absorbed. We believe this is the greatest challenge faced by banks in the last 50 years. This challenge really consists of two parts.

The first part is the elimination of the Regulation Q profit bonus. We simply will no longer enjoy a large supply of funds at substantially below their true money market value. A large portion of our fund portfolios will be deregulated during 1983, and the remainder will be deregulated during 1983, and the remainder between 1983 and 1986. It is up to all of us to intelligently and responsibly handle this pricing opportunity.

The second part is the exponential rise in competition, and its corresponding pressure on prices and margins. As banks obtain more freedom to compete, so do other organizations obtain more freedom to enter our previously tightly-controlled and protected business. Many of these newer competitors do not play by our

somewhat more gentlemanly rules. If the history of other deregulated industries is any guide, this increased competition will likely result in pressure for lower prices and smaller margins at precisely the time at which our costs are rising.

In summary, the banks that prosper will be the banks that profitably understand and serve their customer's needs. That is as it should be and always has been. We look forward to working with our banker friends in turning this challenge into a great new opportunity.



JOHN E. MANGOLD
Senior Vice President
Merchants National Bank
Cedar Rapids, Ia.

THE CHALLENGE facing our banking industry in 1983 is to manage toward continued industry viability while avoiding economic reversals. In other words, our challenge is Management For Survival!

In an insensitive political and social atmosphere we must maximize the income on assets while minimizing the expense of liabilities without presenting any appreciable evidence of profit fallout to the bottom line. Simply stated, we must maintain public confidence in our institutions while redirecting their perception of our ability and desire to meet their financial requirements and individual economic goals. All of this at a price which they deem reasonable for services rendered. In this process we must deliver the specific financial services they *want* and at a price they *are willing* to afford. In the words of that renowned philosopher and economist, Pogo, "...We have sighted the enemy and he is us!"

Bank management is the most critical problem facing the banking industry in 1983. Management consists of two elements.

1. Management Techniques

2. Management Philosophy

MANAGEMENT TECHNIQUES—Includes the daily bank operation and the manner in which we exist among all of the competitive and functional forces which impact our potential for continued banking existence.

This would include non bank competition; Federal Reserve price competition; other bank competitors; asset management; liability management; GAP management; incremental cost of funds; marginal cost of funds; personnel management; truth in lending; loans and investments; and Super-NOW!

Market analysis and strategic planning may show a bank that it cannot be all things to all people and that there are certain profitable financial services which that bank can provide better than anyone else serving the area. A good cost accounting system may show you how to identify, allocate, and control the costs of your various services so that they, too, may be made profitable. Asset liability management techniques may help to stabilize the volatility of the deposit

gathering function and balance to some degree the income stream of the assets in which these funds are invested. Credit analysis and credit review may improve the quality of the loan portfolio and the investment portfolio; credit policies and loan administration procedures may provide an early warning of potential investment deterioration. Customer counselling may be an extremely valuable new business development tool.

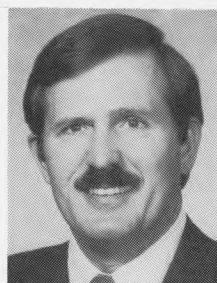
MANAGEMENT PHILOSOPHY—The rules by which bankers as managers integrate their bank into their sphere of influence which includes the consuming public; the corporate and private productive interest, and other members of the financial establishment. These are the criteria which will determine how we meet the challenges of 1983 and of the future. If we are to survive as an industry, that survival will be dependent upon the principles by which we are to be evaluated and by which the other members of our society will determine our value in that society. We must resolve the following principles:

1. Our ability to regulate our own actions and to provide inalienable rules of conduct within the bank itself; between the bank and other banks; and between the bank and the general public.

2. Our ability to develop a productivity quotient based upon line management concepts whereby each person during working hours acts only in the interest of the bank and in the interest of the customers of that bank.

3. A social responsibility acknowledging that the concentration of wealth in the bank creates a civic mandate and an opportunity to manage that wealth in a manner which will produce reasonably expected returns for the bank and long range benefits to society.

The banking industry is facing structure changes and operational concepts which have long range implications and create survival questions for many of its members. There exists a great opportunity for banking leadership within the financial industry. Our experience with historical concepts gives commercial bankers a leading-edge advantage. With proper management we can perform comfortably and profitably if we remember that our competitors have similar problems and the need for similar solutions.



BROCK L. HESSING
Vice President
Commercial National Bank of
Peoria, Ill.

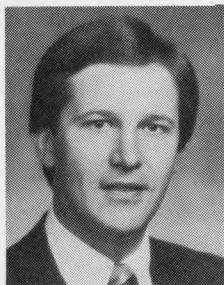
THE Wall Street Journal recently published an article relating to how badly things were "Playing in Peoria." Not one positive comment could be found in the article. During 1982, we were subjected to an increasing amount of negativism promoted primarily by the news media. What does this situation have to do with "the most important challenges facing banks and bankers in 1983?" Bankers, along with other various groups of businessmen, are constantly exposed to negative remarks. After awhile, bankers may tend to be affected by some of these negative reports that we hear and read. Negativism promotes negativism.

Our challenge as banks and bankers is not to lose sight of all the positive events taking place throughout Central Illinois and our individual communities. Probably the most obvious was the excellent harvest season we enjoyed this fall. Although the price of corn and beans in some instances is below production costs, the fact remains that agriculture continues to reflect a very strong balance sheet, with tremendous production capacity to feed the hungry nations of the world. Agriculture will not only survive, but will thrive in the years ahead.

Equally important is the challenge of providing and meeting the financial needs of our communities and trade areas. The traditional banking services continue to be important. A positive response to the numerous, exciting, new marketing opportunities before us is a must. The computer will continue to become an even greater part of our everyday lives. We must recognize this fact and grow with this reality. Correspondent banks should share their experience, advice and counsel with their respondent banks on the many changes taking place in our industry.

How is it really "Playing in Peoria?" Our major employer is presently experiencing a strike and an economic turn down. Some businesses will not survive this recession, but let us not lose sight of the many businesses that are doing well in light of current conditions. Central Illinois is fortunate to have a new Civic Center complex, including an arena, convention hall and theater located in Peoria. The attendance at each event since its opening has exceeded all expectations. The Twin Towers project, which will provide residential and office condominiums in the heart of our city, is becoming a reality. The United Way, excluding the industrial sector, showed an increase over last year. Of particular importance is the fact that bankers of Illinois, after 10 years of disagreement on structure, recently voted unanimously to reunite in one association to work for the benefit of all banks.

Knowledgeable, well-trained bankers who are allergic to the status quo will be the key to real growth and satisfactory returns on assets during the remainder of this decade. As bankers and community leaders, it is imperative that we accentuate the positive. This is a challenge we can all meet.



MAX CALLEN
Vice President
National Bank of Commerce
Lincoln, Nebr.

AS I LOOK AHEAD to next year, I see many changes for the banking industry. Some bankers may refer to these changes as "challenges" and yet other bankers look to them as opportunities. The adaptability of bank management will ultimately determine the appropriate perspective on these upcoming issues.

A doctoral thesis could be written on the impact to the banking industry of any of the below listed events. Since brevity is called for I will simply review the opportunities ahead of us for the next year.

1. December 14th, 1982 the "Super NOW" account is authorized.

2. Continued deregulation of many depository categories.

3. Increased fee income opportunities for services performed.

4. Greater flexibility in packaging and marketing our products profitably.

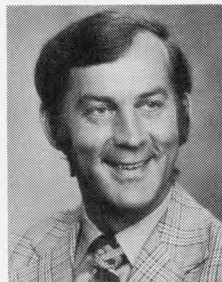
5. More creative and profitable lending relationships are available.

6. Continued improvement upon efficiencies within our industry.

A deterioration of interest margin continues to be a concern of many bankers that I speak with. I do envision a narrowing of interest spreads in the upcoming year; however, I do not see a need for panic within the banking industry. Bankers must be able to adapt to the new environment that is forthcoming if they intend to survive. As margins narrow, it will be essential that banks understand and appropriately package and market all banking services profitably. Therefore, I see fee income as a major contributor to the banks bottom line.

Our industry has had an unprecedented record of profits over the past twenty years. As a whole, the capital accounts of the banks that make up our industry are strong. A strong capital base will lead our industry through the present recession relatively unscathed. Prudent lending practices and a realistic assessment of loan repayment ability are essential to ensure the preservation of bank capital.

The banking industry has had a very unique relationship with its customers for many years. More than 80 percent of all households have some type of relationship with a bank. As an industry, we must capitalize upon this definite market penetration and improve upon our product delivery systems. This unique phenomenon will not necessarily mandate that all banks will offer the same services. I foresee that we will cease being all things to all people and, consequently, forms of specialization will emerge within our industry. Each bank will have to adapt to its own market place and become the expert in what it does best. Adaptability will be the key in 1983.



GARY W. STEVENSON
Vice President
First National Bank
Sioux City, Ia.

BANKERS are facing more challenges and problems today than at anytime since the 1930's. However, we feel that along with these challenges come opportunities. It is obvious that the continued weak economy and banking deregulation will be major hurdles for all bankers in the coming year.

Maintaining a quality loan portfolio becomes in-

CHALLENGES FACING BANKS...

(Turn to page 21, please)

THERE'S an old story about the greenhorn who sauntered into the blacksmith's shop, curiously picked up a horseshoe the smithy had just hammered out on the anvil, and dropped it immediately after burning his fingers. The smithy asked casually, "A little hot?" The greenhorn, unwilling to admit to his ignorance, just as casually replied, "Nope. It just doesn't take me long to examine a horseshoe!"

Similarly, it doesn't take long for Bill Greaves to give you his assessment of the American Institute of Banking today either, but unlike the greenhorn of that story, his studied opinion has been shaped at the educational forge of AIB throughout most of his 32-year career in banking.

Culminating that long-standing interest in AIB and his dedication to the business of banking, William B. Greaves was appointed vice president of Region V for 1982-83 by AIB. In that position he is the liaison on behalf of the national AIB office working with state committee persons and local chapters in the states comprising Region V—Iowa, Nebraska, North Dakota, South Dakota, Minnesota and Montana. There are five other regions in the nation, each with a regional vice president like Mr. Greaves.

Those six regions are identical in coverage to the six regions established several years ago by the American Bankers Association, of which AIB now is an operating division. To Bill Greaves, the adoption of that six-region system is visible evidence of AIB's commitment to true professionalism in pursuing its goal to bring excellence in banking education to the more than 300,000 bankers currently enrolled in AIB studies.

"I'm really excited about the rapid progress AIB is making now," he says. "After having been active in AIB ever since I started in banking, I eased up seven or eight years ago. I had new job responsibilities, but I really didn't like the direction AIB was going. Chapters were going off in their own directions, and there was a bad social image, but I knew this was still the best delivery system available. I thought, as did many others associated with the program, that AIB needed direction and professionalism."

"ABA leaders also perceived this and said AIB needed to get its act together. Our headquarters staff agreed and really moved to build an even stronger, more useful educational system on the solid foundation of its first 82 years. They began gearing up to bring professional people to key positions, training instructors, having subjects pertinent only to banking today. One phenomenal thing they did was to write a new textbook, print it and have it distributed for use in nine months!"

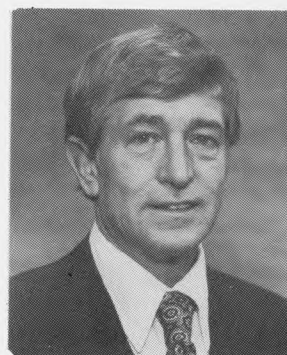
"After ABA restructured AIB into the six regions identical to the six ABA regions, the state banker associations began getting very involved and many of them now have an AIB secretary as part of their staff. Previously, state associations and AIB both were going out and giving seminars on the same things. This improved correlation with them avoids such duplication."

What really excites Bill Greaves is that a much broader, consistent and professional approach to continuing career banking education now has emerged under ABA leadership. "Just look at the terrific three-step, clearly outlined professional study that's available to any man or woman in banking today," he points out, "to help them advance in their career."

"First, AIB will be used for entry level bankers. When the state association secretaries met this year, the new

The ^{new} AIB...

...a solid foundation for American bankers' education



A NORTHWESTERN BANKER
interview with

WILLIAM B. GREAVES
Vice President,
United Central Bank, N.A.,
Des Moines

Vice President, Region V
American Institute of Banking

AIB program was presented to them.

"Second, more experienced bankers then can move into graduate schools run by the state associations, including Rutgers. Those students must pass AIB requirements to be eligible to move into the graduate schools."

"Third, after completing the first two levels of training, ABA will admit those graduates to its executive management schools."

All of this planned growth structure "didn't just happen," Mr. Greaves stresses. "Surveys of bank CEOs showed the need for banking education of their employees, so we know the need is there. It just requires direction, and AIB and ABA are providing it. Our AIB executive council meetings and the annual convention itself are all very professional. This is *not* a social organization, its *not* just a good old fraternity."

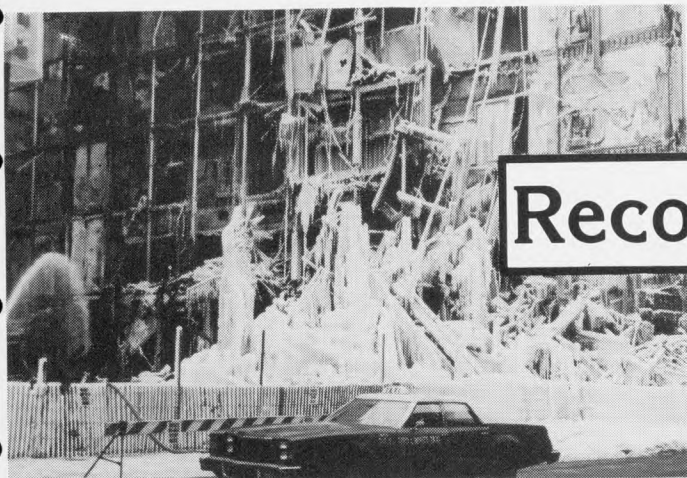
Bill Greaves' enthusiasm for and allegiance to AIB is so strong because he is keenly aware of the importance of banking education in his own career. When he joined United Central Bank in February, 1950, as a messenger, his background included North High School in Des Moines and attendance at Drake University. He was enrolled almost immediately in AIB classes that same year, later earning the Standard and Graduate Certificates. He moved through the Des Moines AIB Chapter chairs, serving as president for one year, then in 1975 was honored as "Banker of the Year" and awarded a lifetime membership in the Chapter.

Throughout this period of years he served also for six years as AIB associate councilman for Iowa. He found time also to complete (with honors) the Pacific Coast Graduate Banking School at the University of Washington, Seattle.

In addition, he was chairman of the Iowa Bankers As-

THE NEW AIB...

(Turn to page 21, please)



Recovery from Disaster

By **BEN HALLER, JR.**
Publisher

The smoke cleared as the sun struggled through the morning clouds,

*Slanting its warming rays across the muted crowds
Of workers who viewed with cold fear and dread
Their once proud home that now lay silent and dead.*

*But on that same, dark gloomy day in late November,
While the ashes grew cold, there rose a glowing ember
That was fanned by human spirit of eternal hope,
In knowledge that somehow their leaders would cope.*

Their trust was well-placed, for their leaders had wisely dared,

*To consider emergencies and were so prepared
That when fire struck that fateful Thanksgiving day
and night,*

They had a plan that would give the elements a fight.

The leaders gathered and charted a course of quick return

To normal banking service while the remains still burned,

And though they knew their plan was sound in its final draft,

Their real hope lay in trusting their competent staff.

*That trust was fulfilled in the working of their plan,
Whatever the challenge, the only answer was, "I can."
So, that looking back to learn why the plan was equal
To the task, the only answer was their loyal PEOPLE!*

ONE MONTH after the Thanksgiving Day fire that summarily ejected Northwestern National Bank and its parent company, Northwest Bancorporation, from their landmark building in downtown Minneapolis, officials at both corporations find little time to look back, finding the demanding needs of daily business and future planning literally occupying all of their time.

In a rare moment of breath-catching, top officials did take time out to visit briefly with us during the bank's Annual Management Conference and Duck Dinner in the second week of December. They were universal in their praise for every employee of Northwestern National, Banco headquarters staff and Banco subsidiaries for the positive response they made to get the bank and its holding company back in business over the weekend, ready for regular customer transactions on Monday morning following the long Thanksgiving weekend.

Several points remained paramount in the mind of Banco Chairman John Morrison, who penned his personal reflections and appreciation in a full page ad run in newspapers where Banco affiliates are located. Speaking of the fire itself, Mr. Morrison said he was grateful that no one was killed in a fire of such magnitude—one that could well be the most costly business building fire in the nation's history. He praised the firefighters and local officials involved for their yeomen work.

He was able to stress to business and personal customers that not one dollar or valuable of any customer had been damaged or lost. All pertinent records of customer accounts were safely stored in vaults or on computers several blocks away, and for safety sake, those records also were duplicated and stored in yet another location for backup.

He praised the banks of Minneapolis and St. Paul, both Banco affiliates and usual competitors who responded while the fire was in progress with offers of help, and extended the same praise and thanks to the many business firms who likewise offered help.

But his greatest accolade, given with the justified pride of a winning coach, was reserved for the staff people who gave 100% in the emergency and made the bank's pre-conceived "disaster plan" a workable model.

That disaster plan, revised only a few months before

the tragic fire that literally wiped out the physical interior of the 17-story building, had taken into account the worst conceivable scenario—total disablement of the bank's premises. The plan was in a four-inch thick book and copies were placed in several bank vaults around the city for retrieval in the event it should be needed. While the fire was burning, Chairman Morrison and top designated officials gathered in their "war room" in a building across the street and began with page one. "They hit the street running," said one Banco officer proudly. "They started immediately with page one and by noon of the next day were lining up space for all of the offices."

John Beal, president of Banco Properties, Inc., which manages all physical properties owned by Banco and its affiliates, was in charge of getting everyone in position to take up their usual work. "Part of our job,"



"The morning after"—a \$75 million hangover!

he said, "is to know at all times what space is available in Minneapolis, for example, so that in such an emergency we can move right now to nail down the space needed. We have to know how many people are needed for a given department, their optimum space requirement and how little they can get by with."

The logistics of re-locating Northwestern National and Banco people were of such magnitude that it would take a volume to record properly how the job was done. The point is, it was done, and customers were being served on Monday. People are working side by side in jammed areas; phone lines are constantly being revised; some people have made a second move already and most will face another move. "We figure that every department will move at least once by the third quarter of 1983," Mr. Beal states, "and then we hope that will be it for three years."

The bank building has been so badly damaged that engineers still are trying to determine whether it is sound enough to be remodeled, whether it's economically feasible to do so, whether smoke damage will make the premises undesirable, or if a completely new building should take its place, considering the needs of Banco and the bank in the years ahead. Those hard decisions still lie in the future.

The Minneapolis Fire Chief is temporarily using a \$75 million loss figure to describe the fire. The building was insured with regular commercial insurance companies. St. Paul Fire and Marine Insurance co., the

principal underwriter, already has announced its loss on the building is \$5 million, and that the balance of the loss has been farmed out to a number of other insurance companies through reinsurance contracts, in keeping with sound, traditional insurance underwriting.

Mr. Beal said, "we are self-insured in some areas but we have outside insurance on all our Banco buildings. Total coverage on business interruption insurance, for example, is nearly impossible. We are well insured but we know it couldn't be totally insured for there are too many unknown factors."

Asked if other Banco affiliates have a similar disaster plan, Mr. Beal said he couldn't answer categorically, "but they will now, I'm sure!"

One item of interest to some people was the damage or loss involving Northwestern and Banco's extensive art collection which graced the walls of so many offices. Mr. Beal offered a ray of hope in that direction, stating that although some were destroyed by fire, it appears at this time that much of what was on the lower floors occupied by the bank itself may well be reclaimed by restoration to remove smoke and water damage. Perhaps the most nostalgic of Northwestern's art, the Clarence Chaney collection, may have been saved from the fire itself. Mr. Chaney was well-known nationwide as vice chairman of Northwestern and head of its trust department. His watercolors, especially of the Northwestern Building at Christmas time, which appeared on the bank's Christmas card for many years, apparently is safe in a vault.

Mr. Beal offered a bit of advice to all banks in regard to their property. "How you handle your property and building affects your balance sheet. People who know how to plan for space, how to negotiate leases, can be invaluable. We had no surprises for this operation. We knew how many people we had, the space they needed, and what space was available. It was a matter, then, of negotiation."

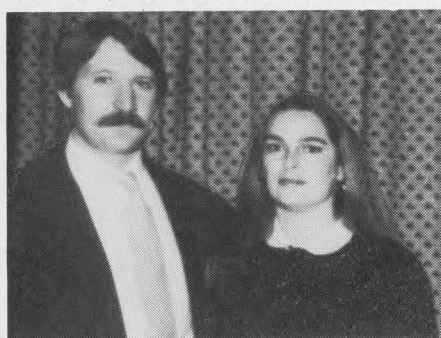
Mr. Beal echoed Mr. Morrison's evaluation of the staff. "It's an amazing experience," he recounted, "to see what people can do in an emergency like that. If you measure work done by so many hours, they hit 200%. It is disruptive to have to move time and again as we are having to do, but some people who worked together many years, but became isolated through working conditions, now are working side by side again and getting reacquainted and finding a renewed spirit of cooperation as part of a team. We are definitely a better company for having lived through this bad experience."

He said there is no way to avoid mistakes completely when going through a painful exercise such as relocating under pressure, "but I can say that all of ours so far have been little ones, thanks to the advance planning. The one thing you can't plan for is living through the experience itself the first time. The event itself is traumatic for the insured, whereas it's the daily business of the insurance company and they have experts who have been through dramatic fires like this a dozen times. But, basically, we think we planned for and did the right things. Our main decisions were correct. I can repeat—think twice about your real estate before you overlook its importance. Looking back on it, our entire operations were uprooted because a big piece of real estate was hurt." □

RMA Midwest Chapter Officers Pictured at Convention

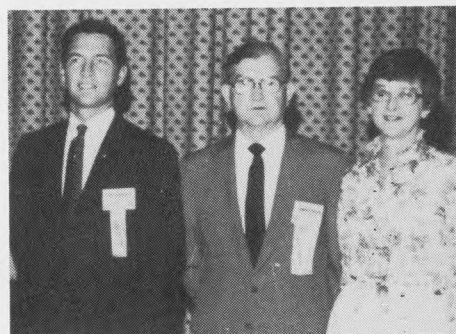


FOUR high-ranking officers of the Chicago Chapter of Robert Morris Associates, and their spouses, were among the more than 1,400 people who attended RMA's recent 68th annual Fall Conference in Bal Harbour, Fla. Left to right are: Chapter **Pres.** and **Mrs. John A. Greathouse**, admn. v.p., Amalgamated T & S Bank of Chicago; Chapter **First V.P.** and **Mrs. F. Dean Long**, The Northern Trust Company, Chicago; Chapter **Second V.P.** and **Mrs. Richard K. Charlton**, The First National Bank of Chicago; and Chapter **Treas.** and **Mrs. Robert T. Lincoln**, v.p. The Bank & Trust Co. of Arlington Heights.



LEFT—Missouri Valley Chapter **Pres.** and **Mrs. Bradley L. Burt**, v.p., Bankers Trust Co., Des Moines, Ia.

RIGHT—Midlands Group **Chmn.** **Ron Schneider**, v.p., U.S. Natl. Bank of Omaha, with **Siouxland Group Chmn.** and **Mrs. Truman D. Phelan**, Northwestern Natl. Bank of Sioux Falls.



Challenges facing banks...

(Continued from page 17)

creasingly difficult. Due to the weak farm economy, we do not see a major improvement during the coming year. This weakness has had an effect on many of our business loans. Currently, loan demand is weak and our forecast doesn't indicate much change through the first half of 1983. Lower interest rates and a slowly improving economy will help, but this will take time. We are working closer than ever before with our customers to help them through this period of stress.

The new HIFI Money Market account will place earnings under additional strain. Undoubtedly, this will increase costs on the liability side of the balance sheet and continue to put pressure on declining interest margins. However, the additional funds which should be available from HIFI accounts can be put to good work with the addition of qualified loans and prudent investing. This is an opportunity for alert money managers to put local money back into the local economy. Because we feel that the HIFI account will increase our costs, we are making a concerted effort to increase off balance sheet income. We have also become more aggressive in cost control through our budgeting process.

Knowing your costs, careful budgeting and adequate planning were never more important. No doubt there will be financial institutions which will price their HIFI accounts too highly. This will tend to put added pressure on all of us.

One thing is certain, bankers will be forced to become better managers. The successful managers will turn the challenges into opportunities.

The new AIB...

(Continued from page 18)

sociation education committee in 1974-75. In that position he was a member of the committee which founded the Iowa School of Banking at the University of Iowa, a two-week summer school for management level studies. He served on its advisory board from 1975 to 1981, was a director in 1981, and served on the faculty from 1978 to the present time.

His educational interests continued in his membership in Robert Morris Associates. He is a past chairman of the Iowa Group of RMA and currently is a director. His solid training in operations led to his promotion as head of the UCB credit department in 1962, the post he held until joining the correspondent bank department at UCB in 1971, where he now serves as vice president working with banks throughout the state.

Mr. Greaves pays genuine tribute to the founders and builders of AIB. "There's nothing wrong with the delivery system developed earlier," he emphasizes. "Now we have new times and a need for faster-moving education. We intend to provide it for the career benefit of all bankers and to build a stronger banking system that can fulfill our ultimate goal—providing professional banking service to the American public." □

Illinois

D.R. Lovett, chmn. & pres., Dixon
W. J. Hocter, exec. v.p., Chicago



THE special committee for the selection of the new Illinois Bankers Association Executive Vice President who will serve as Chief Staff Administrator of the merged, IBA/AMBI organization has announced the selection of William J. Hocter for that post.

The committee, which has been working on this project for several months, was instructed to make a decision by the IBA/AMBI negotiating team. The committee employed a professional search firm and an industrial psychologist to analyze the job and provide a detailed recommendation. The analysts were unanimously selected by the committee. The special selection committee had decided that it would accept the recommendation when presented if the report was comprehensive in its evaluation. The committee expressed the highest praise for both individuals being considered for this job. Both individuals were highly qualified



W.J. HOCTER

and capable of handling the responsibilities of the post.

The evaluators were charged with making a specific recommendation. The recommendation was then accepted as previously agreed upon by the committee. The committee consisted of Donald R. Lovett, chairman and president, Dixon National Bank; Charles C. Wilson, chairman, First National Bank of the Quad Cities; and C.C. Hope, Jr., vice chairman, First Union National Bank, Charlotte, N.C.

Mr. Hocter joined the IBA as executive vice president in 1977. Previously he served as vice president and economist of the Federal Reserve Bank of Cleveland and was with the Chicago Federal Reserve Bank for seven years.

Mr. Hocter has an MBA in business economics from Xavier University and a doctorate of business administration from Indiana University. He has taught various economic courses at Loyola University Graduate School of Business and the Indiana Graduate School of Business. He also is a member of the state association division executive committee of the American Bankers Association.

President Named at First National

Malcolm E. Lambing, Jr., was named president and chief executive officer of the First Galesburg National Bank and Trust Company according to Harold Nichols, board chairman and acting chief executive officer. Mr. Lambing was previously president and chief executive officer of the First National Bank of Pennsylvania in Erie. He had been associated with the Erie bank since 1966 serving in various capacities prior to becoming chief executive officer in 1975.

Mr. Lambing graduated from Dartmouth College with a B.A.

degree and attended the School of Business at the University of Pittsburgh. He and his wife, Nancy, are the parents of three children.

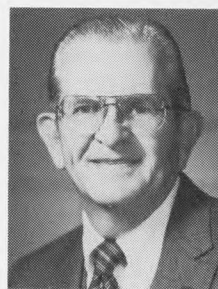
Clearing House Forms Electronic Network

The Champaign-Urbana Clearinghouse Association has announced the formation of an electronic banking network which will utilize the services of the *easy answer* system of Springfield, Illinois. The new network will be marketed to consumers under the name *easy answer*. Initially, *easy answer* will link the automatic teller machines (ATMs) and data processing centers of Cham-

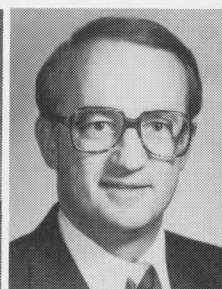
paign-Urbana financial institutions. Through *easy answer*, these institutions will offer their customers 24-hour access to their accounts for many routine banking transactions.

Springfield Banker Retires as CEO

Walter R. Lohman, chairman of the board and chief executive officer, the First National Bank of Springfield, has retired as CEO. Mr. Lohman will continue to serve as chairman of the board of directors of the bank, and president and director of Firstbank of Illinois Co., the holding company for First National Bank and Firstbank Mortgage Co.



W. LOHMAN



J. BRUBAKER

John E. Brubaker, president, will become president and chief executive officer effective December 1.

Mr. Lohman's banking career spans 42 years. He joined the Pleasant Plains State Bank in 1940 and rose to vice president of that organization. In 1946 he moved to the State Bank of Ashland and was named president of the bank in 1957. He was educated in Ashland and graduated from Illinois Wesleyan University.

Mr. Lohman joined FNB in 1962 as vice president and was elected a director in 1964. He was elected president in 1967, and chairman of the board in 1977. When Firstbank of Illinois Co. was formed in 1975, Mr. Lohman was elected president and a member of the board of directors.

Mr. Brubaker joined First National as vice president in the commercial lending division in 1976. He was named executive vice president in 1977 and was elected to the board of directors in 1979. He was elected secretary of Firstbank of Illinois Co. in 1978. In 1981 he was elected vice president, treasurer, and a director of the holding company.

A native of Waggoner, Illinois, Mr. Brubaker graduated from Farmersville High School and earned a B.S. degree in finance from the University of Illinois in 1962.

Aurora Bank "Continued"



OLD Second National Bank of Aurora recently unveiled the 24,000 square foot "continuation" of its historic 1925 building. Along with the original building's 31,000 square feet and the 1977 drive up building's 35,000, it brings Old Second's under-roof area to 90,000 square feet.

President James E. Benson, of the \$160 million 112-year old bank, chooses the term "continuation" as architect Louis C. Cordogan, AIA, has achieved a virtual extension of the George Grant Elmslie structure of nearly a half-century ago. Mr. Cordogan not only continued the lines of the Prairie School building of Frank Lloyd Wright's drawing board colleague, but sought out, as

well, the same Roman brick, roof tile, terrazzo and other building materials.

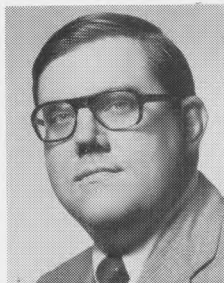
Included in the "continuation" is an enlarged lobby area with eight new windows bringing teller stations to 15. Two of these will be for special services, such as tax payments, license plates, money orders, gift checks and cashiers checks. For privacy, commercial customers will have the convenience of new conference rooms, where they can discuss loans and business services. Here, too, brokers can close real estate deals.

The trust department will now have its own computer system, separate from the bank's main frame.

Joins First National Bank of Skokie

Oscar H. Gallun has joined the First National Bank of Skokie as vice president of commercial banking. He will be working with both merchants and manufacturers in the Skokie area.

Mr. Gallun received his banking education from the University of Wisconsin, Rutgers University and the Stonier Graduate School of Banking. He was previously associated with the Glenview State Bank and the First National Bank of Neenah, Wisconsin.



O. GALLUN

Merger Agreement Reached in Aurora

Old Second Bancorp, Inc. and First Security Bank of Aurora recently announced that a tentative agreement had been reached for Old Second to acquire all of the stock of First Security. The proposed transaction was revealed in a joint announcement by James Benson, president of Old Second Bancorp, and William Marlowe, president of First Security Bank of Aurora. Old Second Bancorp is the holding company for the Old Second National Bank of Aurora. First Security is located at 1350 North Farnsworth in Aurora.

Old Second Bancorp will offer First Security shareholders the option of a cash payment for their shares, or they can elect to exchange First Security shares for Old Second Bancorp

shares.

Mr. Marlowe stated that the board of directors and management of First Security endorsed the plan, and will recommend to their shareholders that they accept the Old Second Bancorp offer. Completion of the plan is subject to approval by the shareholders of First Security and by regulatory agencies.

Mr. Benson and Mr. Marlowe expressed that the merger would provide the means for both organizations to provide improved financial services to present and future customers in the Aurora area.

Promotions Announced

Donald D. Thornburg, chairman and president, Sears Bank and Trust Company, has announced the following promotions:

James Harris to senior vice president, trust division.

Receiving promotions to assistant vice president were: Lee Fields and Alison Goss in the personal banking division, and Daniel Ropas in operations.

Advancements in the commercial banking division went to W. Thomas Fernald, commercial loan officer; Kathleen Kemp, real estate loan officer, and Tammy Pechter, correspondent banking officer.



J. HARRIS

Three Promoted at Elmhurst

Frank C. Rathje, president of Elmhurst National Bank, has announced the promotion of three officers: Debra A. Arenson, manager of administrative services, operations division; Peter S. Groninger, funds management officer, asset/liability division, and Donna Peltzer, operations officer.

Mrs. Arenson joined Elmhurst National Bank in 1980 as administrative assistant responsible for the development of policy and procedure manuals for the bank, and has assisted in the bank's conversion to an in-house computer system.

Peter S. Groninger joined the bank in 1982 as funds management assistant in the asset/liability division.

When the bank guaranteed that you
would only deal with one person,
you didn't know they meant one after another.



Perhaps it's happened to you. Just when you had built up a working relationship with your correspondent banker, the bank moved him up the corporate ladder and off your business.

All too often, a large bank can be insensitive to the needs of small respondent banks. Yet smaller banks that can give you plenty of personal attention can't always give you the expertise and the clout you need. And you're caught in the middle.

You do, however, have an alternative: Midland National

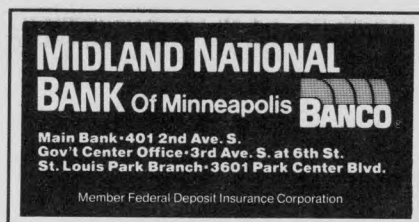
Bank. We're big enough to handle any of your correspondent banking needs. But we're still small enough to respond to your individual concerns.

We've deliberately kept our Correspondent Division small, so that you can deal

directly with a decision maker. Each of our correspondent bankers has from 12 to 25 years of experience in the business, so they thoroughly understand the needs of respondent banks. They take the time to personally call on both the respondent bank and the respondent's customers.

If you're tired of banks that are too large or too small, come to Midland Bank.

You'll develop a close working relationship with one of our correspondent bankers. Not one after another.



We're big enough to know how and small enough to know you.

Minnesota

J.P. Ingebrand, pres., Mora
T. L. Jeffers, exec. v.p., Minneapolis



New President For Rochester Bank

Edgar M. Morsman, Jr., has been named president and chief executive officer of Northwestern Bank of Rochester. He succeeds John R. Cochran, who has been elected president of U.S. National Bank of Omaha, Nebraska. Both banks are affiliates of Northwest Bancorporation.



E.M. MORSMAN JR.

Mr. Morsman spent 11 years at U.S. National Bank of Omaha, rising to senior vice president and manager of the commercial banking division. He then joined the corporate staff of Northwest Bancorporation in 1980 as vice president, loan administration.

A native of Omaha, he is a graduate of Stanford University and the Stonier Graduate School of Banking. He is also a member of the board of directors of The Robert Morris Associates.

Luverne Facility Receives Approval

Myron Kruse, president of the Beaver Creek State Bank, announced that the board of directors has been notified by State Banking Commissioner Mr. Michael J. Pint, that its bank facility application for Luverne has been approved. Mr. Kruse stated that the bank has already purchased the building and building site located on Hwy #75 South where the HyVee Grocery Store had been located. An architect has been commissioned and remodeling plans are being drawn up.

Plans call for a full service bank with drive-up window, safety deposit boxes and full banking hours.

Mr. Kruse also announced that at

the present time he will be the senior manager of the Luverne facility and Mr. Leonard Scholten will be the senior manager of the Beaver Creek facility.

Elected to Board

Tim V. Stern, president, Northwestern Bank & Trust Co. of St. Cloud, announced last month that Dr. Brendan J. McDonald, president of St. Cloud State University, has been elected to the board of directors of Northwestern Bank. Dr. McDonald earned a bachelor of science degree from St. Cloud State University, master of arts from the University of Minnesota and a Doctor of Philosophy degree from Michigan State University.

Prior to coming to St. Cloud State University, he was president of Kearney State College, Kearney, Nebraska, for ten years and held other administrative positions at St. Cloud and Mankato State Universities.

Faribault Banker Dies

Richard W. Peavey, president of First Northwestern Bank, Faribault, for 24 years, passed away November 27. Mr. Peavey began his career with the Midland National Bank of Minneapolis and returned to his native Faribault in 1956 to become president of First Northwestern Bank. In 1980 he became board chairman of the bank and served in that capacity through 1981. A graduate from the Wharton School of Finance and Commerce, Peavey was the third generation member of a family engaged in banking in Faribault since 1885. A son, Roger, is executive vice president of Farmers and Merchants State Bank, Balaton, Minn.

New Albert Lea Banker

David A. Zahler has joined the First Northwestern National Bank of Albert Lea as an agricultural lend-

ing officer. He graduated from Iowa State University with a degree in agricultural business.

Prior to joining the bank, Mr. Zahler was a participant in Northwest Bancorporation's regional credit training program and was assigned to the Agricultural Credit Company in Sioux Falls.

Joins Dundas Bank

Arnold Johnson has joined the Dundas State Bank as vice president. He comes to the bank with 34 years of banking experience and most recently served as president of the International Falls State Bank. Previously he was vice president of the First National Bank of Crookston for 12 years.

Mr. Johnson is a graduate of the Central States Graduate School of Banking and is a past president of the District 9 Minnesota Bankers Association.

Bloomington Promotions

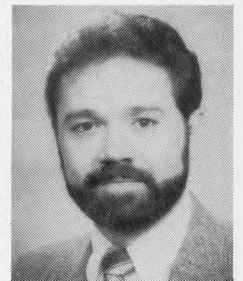
Community State Bank board chairman, Clifford Jerpbak, announced the advancement of Paul B. Carter to assistant vice president and Mark J. Frey to assistant cashier.

Mr. Carter recently joined the bank's commercial loan department and has previous lending experience with a Hallock bank.

Mr. Frey recently joined the installment loan department and also works with real estate loans.

Joins Long Lake Bank

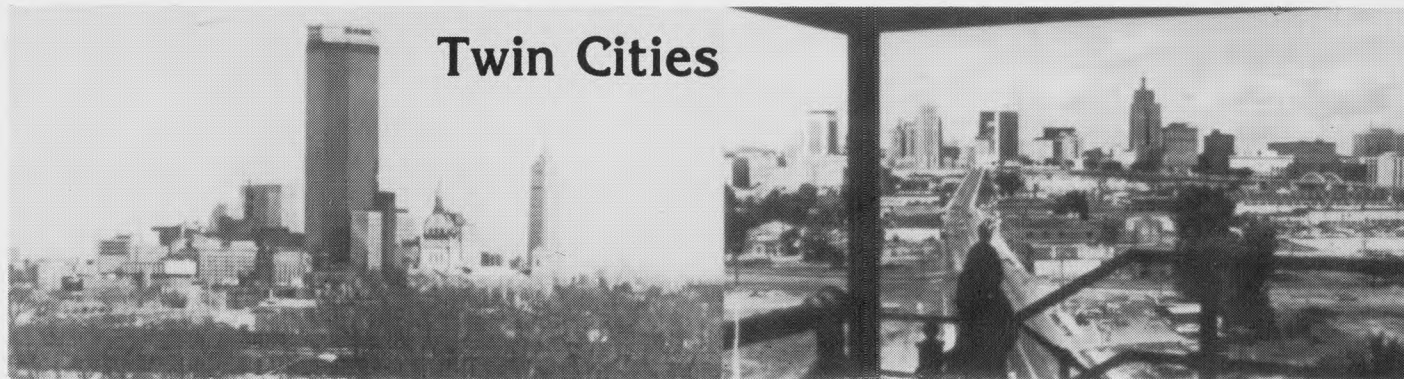
State Bank of Long Lake announced the appointment of Michael J. Byrne as vice president and compliance officer, and in that capacity will also be responsible for all commercial loans. Mr. Byrne comes to Long Lake after serving as vice president of First National Bank of Waconia.



M. BYRNE

Mr. Byrne has been in banking nearly ten years and is a graduate of the University of Wisconsin, Superior, and also of the Minnesota School of Banking at St. Olaf College, Northfield, and Midwest Banking Institute at University of Minnesota, Morris.

Twin Cities



F&M MARQUETTE National Bank has completed its move to the former Farmers and Mechanics Savings Bank Building at Sixth Street and Marquette Avenue, 55402. With the formalization of the new address comes a new main telephone number: (612) 341-5600.

The move centralizes all the departments of Marquette National Bank, which acquired Farmers and Mechanics in February, 1982. In addition, the building's retail lobby is being remodeled prior to the one-year anniversary of the merger.

Additional F&M Marquette downtown locations include the recently expanded skyway banking facilities in the International Multifoods building, the skyway banking facility in the IDS Center and a lobby facility on the main floor of the IDS Center at Seventh Street and Marquette Avenue.

F&M Marquette's drive-through facility is at Eighth Street and Fourth Avenue. A new drive-through facility will soon be completed in Centre Village at 425 S. Seventh Street.

Other F&M Marquette National Bank detached facilities are the Southdale and Brookdale offices.

* * *

First Computer Corporation, the data processing subsidiary of First Bank System, Inc., recently announced the election of **Delroy R. Hayunga** to president and **Terrence P. Sandvik** to executive vice president and chief operating officer.

Mr. Hayunga joined First Computer Corporation in 1982 as senior vice president of the computer services division. Prior to that time he was associated with Bankers Trust Company, New York, where he served as head of the computer service division. Mr. Hayunga holds a bachelor of arts degree from Carleton College and a master's degree from Union Theological Seminary.

Mr. Sandvik joined the company in March, 1981, as vice president and manager of systems research and development, and was promoted to senior vice president in 1982. He was previously associated with F&M Marquette National Bank where he served as vice president of administrative services and manager of data processing. Mr. Sandvik is a graduate of Mankato State University.

* * *

513 executive officers attended the Minnesota Bankers Association executive officer workshops, according to **John Ingebrand**, MBA president and president of Kanabec State Bank, Mora, Minn. The sessions covered industry change, MBA's legislative objectives, the newly-completed strategic plan, and the new deposit instruments authorized by the Garn-St. Germain Act.

* * *

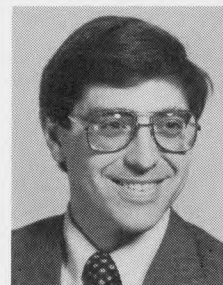
Carl L. Pohl, president of F&M Marquette National Bank, has announced the following promotions:

Lisa Newell to personal banking officer; **Christopher Rye** to controller; **Steve Wise** to commercial loan officer; **John Palmer** to assistant vice president, trust department, and **Sandra Sickles** to correspondent bank officer.

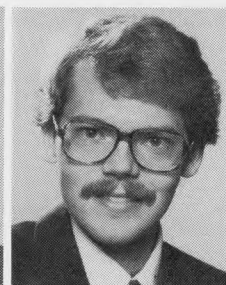


L. NEWELL

Ms. Newell joined the bank in February, 1981, and has responsibility for the senior citizen program and is also a supervisor in the personal banking area. Mr. Rye joined the bank in 1978 as cashier and Mr. Wise joined the bank in 1980 as a credit analyst and was promoted to commercial loan representative in



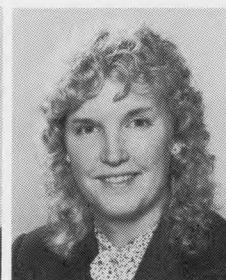
C. RYE



S. WISE



J. PALMER



S. SICKLES

1981. Mr. Palmer joined F&M Marquette in February, 1982, in the trust department. He was previously with American National Bank and Trust Company of St. Paul and is a graduate of Drake University College of Law.

Susan Sickles has been appointed correspondent bank officer. Ms. Sickles joined F&M in 1980 in the investment department and became an investment officer specializing in money market instruments. Prior to joining F&M Marquette, Ms. Sickles was with Dauphin Deposit Bank and Trust of Harrisburg, Pa. She is a graduate of Keene State College in New Hampshire.

* * *

Carl H. Pohl, president of F&M Marquette National Bank, has announced the promotions of **Pam Wilson** to trust officer and **Dale Jorgenson** to vice president and trust officer.

Mr. Wilson joined the bank in 1975 and was promoted to trust administrator in 1978. She is a graduate of the National Graduate Trust

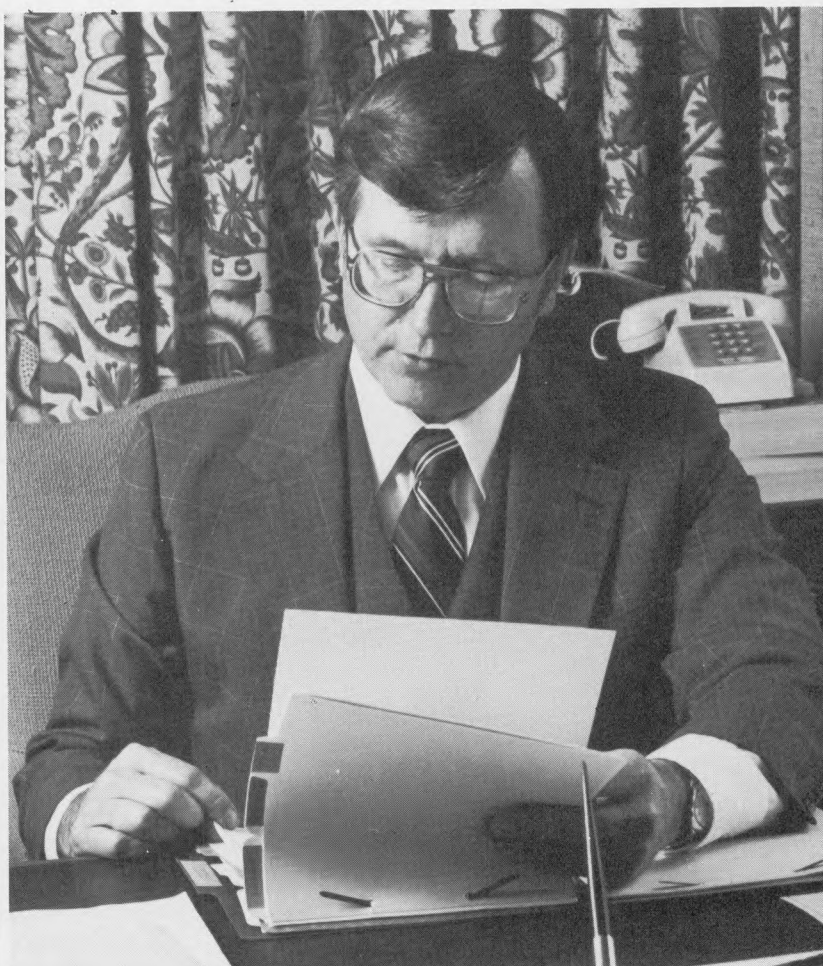
Bob Jacobson Speaks Bank Stock Financing

When you want to buy a bank, how can you put together the financing package that's best for you?

Someone who understands bank stock financing and who cares about independent community banks can help answer your questions. That's Bob Jacobson and that's American.

We are particularly sensitive to the needs and pressures faced by independent community banks. We believe in cooperation, not competition for your customers.

We want to be your partner and help you solve your problems. It's easy to put an American correspondent banker to work for your bank. Just call (612) 298-6331.



A M E R I C A N
NATIONAL BANK • SAINT PAUL



P. WILSON

D. JORGENSON

School of Northwestern University.

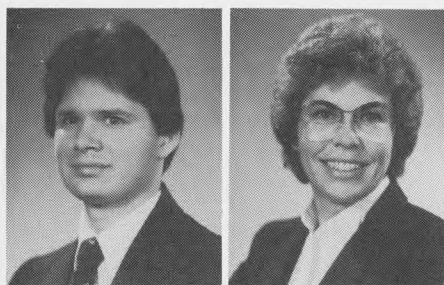
Mr. Jorgenson will manage the administrative and operations areas of the trust department. Prior to this promotion he held the position of manager of the depositor services division of F&M Savings Bank. He joined F&M Savings Bank in 1972 and holds a masters degree in Business Administration from the College of St. Thomas in St. Paul.

* * *

Directors of the Northwestern National Bank of St. Paul recently announced the election of four employees to officer status, according to **Larry D. Buegler**, chief executive officer and chairman of the board.

Christopher J. Diegnau was elected operations officer. Mr. Diegnau joined the bank 1977 and has worked in a variety of operational positions. He is presently investment services supervisor.

Janice M. Ablan was elected operations officer. She joined Northwestern in 1981 from Midwest Federal Savings and Loan where she was assistant branch manager. She is presently consumer loan servicing supervisor in the operations division.



C.J. DIEGNAU

J.M. ALBAN



D.E. BRICKER

T.M. MC CORMICK

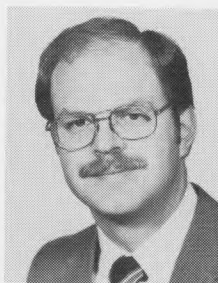
David E. Bricker has been elected trust investment officer in the funds management division. Mr. Bricker recently joined Northwestern from the First National Bank of Topeka, Kan.

Theresa M. McCormick has been elected to executive/professional loan officer in the capital banking division. She joined Northwestern in 1982 from the American National Bank of St. Paul where she was commercial loan representative. Ms. McCormick is currently executive/professional loan representative in the executive/professional banking department of the capital banking division.

* * *

The board of directors of First Bank System, Inc., recently elected the following vice presidents: **Larry Gregerson**, **Fred Squires** and **Phillip Webb**.

Mr. Gregerson has been associated with FBS since 1973 when he joined the commercial lending department of First Bank Minneapolis, where he served in his most recent position as head of the contractors division.



L.A. GREGERSON



F.H. SQUIRES

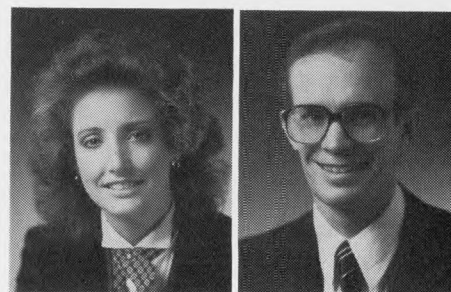


P.G. WEBB

He will be responsible for credit advisory in the regional division.

Mr. Squires, who joins regional operations, joined the data processing subsidiary of FBS in 1968. His most recent position was vice president in the correspondent banking department of First Bank Minneapolis.

Mr. Webb has been associated with FBS since 1980 when he joined the marketing division as advertising manager. He was promoted to assistant vice president and director of communications in 1981 and will now be assigned to regional consumer marketing.



M.R. FOGELBERG

M.S. PAYNTER



E. PIANO

C.L. RANTALA

The First Bank System board also announced the following new assignments for assistant vice presidents in the metropolitan division:

Bruce Brinkmeier to consumer delivery; **Julie Cornelius** to delivery network; **David Hetterick** to marketing research, and **Diane Marien** to product development.

Receiving advancement to assistant vice president status were:

Melissa Fogelberg, legal counsel; **Mark Paynter**, regional financial planning; **Evelyn Piano**, regional product development; **Cheryl Rantala**, corporate compliance, and **Brenda Reimnitz**, strategic delivery products.

* * *

John A. Rollwagen, chairman and chief executive officer of Cray Research, Inc., has been elected to the board of directors of Northwestern National Bank of Minneapolis. Mr. Rollwagen, a native of St. Paul, joined Cray Research in 1975 as vice president-finance. Mr. Rollwagen was elected chairman of the board of Cray Research in 1981. He works with the company's founder, Seymour Cray, in maintaining Cray Research's ability to provide technical leadership in the development of computers.



J.A. ROLLWAGEN

Midland National Sponsors Correspondent Banking Seminar

By **STEVE BURCH**
Associate Publisher

EXECUTIVE officers of 67 Minnesota banks attended the Midland National Bank sponsored correspondent banking conference held in Minneapolis November 29. Newly elected Midland President Ernest Pierson welcomed the bankers to the one-day seminar which was themed "Banking Today." Seminar topics ranged from an insight into "futurism" in all facets of society to the role of the Minneapolis Grain Exchange in the banking environment of today. There were also reviews of asset and liability management and the advantages of lease investments.

Minneapolis Grain Exchange President Paul Tattersall offered a history of the Grain Exchange and detailed how the function of the Exchange will change in response to changes in production and agricul-

tural marketing. He discussed the rapid growth in the futures market and advised the bankers to consider the advantages of hedging as a means of protecting the crop prices for their ag borrowers. He added that it is very important for the banker to know the producers broker and to become involved in a three-way agreement between the broker and producer. Farmers should be aware that they may get margin calls during the term of the hedge and should understand the costs involved in dealing with them. Mr. Tattersall views hedging as a marketing alternative which contributes to the producer becoming more profit conscious.

In his review of asset and liability management, Ed Wehmer, director, Financial Industry Division, Plansmith Corporation, pointed to the many options now available to smaller banks in the market for computer hardware and software pro-

grams. He cautioned the bankers to be aware of the special requirements of their individual bank when deciding on purchasing computer packages. He also emphasized the advantages achieved from a well designed asset/liability model which included new marketing strategies, effective pricing tactics and profitable participation in hedge risk in the interest rate futures market.

The changing role of the ag lender was examined by a three member panel consisting of Clint Kurtz, president of Citizens State Bank of Norwood; Arlan Tengwall, agricultural expert and senior vice-president of Northwest Bancorporation, and John Anderson, president of Anderson Farms, a large diversified farming operation. Mr. Tengwall urged the bankers, as community leaders, to present a positive attitude towards the ag economy and to maintain the proper perspective on troublespots. He stated that 40-50 per cent of all producers are not borrowers and that fewer than 3 per cent will go out of business during 1983.

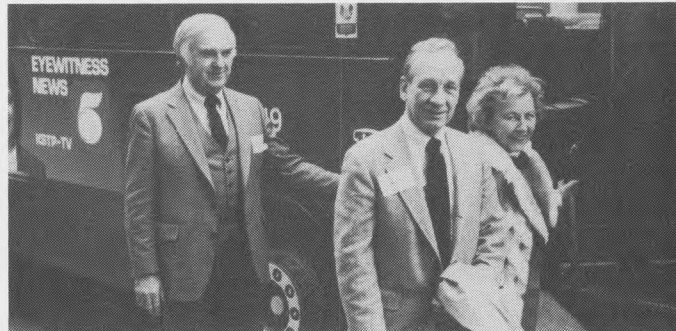
Despite recent record low net farm incomes, he feels that 1983 will



LEFT—Speakers at Midland National Bank conference included: Paul Tattersall, pres., Minneapolis Grain Exchange; Earl Joseph, prof., Univ. of Minnesota, and Ed Wehmer, dir., Plansmith Corp. **RIGHT**—Ag panel members included Clinton Kurtz, pres., Citizens St. Bk., Norwood; John Anderson, Anderson Farms, Belgrade, and Arlan Tengwall, sr. v.p., Northwest Bancorp., Minneapolis.



LEFT—Mike Bodeen, a.v.p., Midland; Stan Peterson, v.p., Midland, with Marion and Martin Haar, chmn. & pres., Alexandria Bk. & Tr., and Ernest Pierson, pres., Midland National. **RIGHT**—Dick Erickson, a.v.p., Midland, welcomes Herb Lund, pres., Security St. Bk., Albert Lea and his wife Mona on board for tour of recently completed construction projects in downtown Minneapolis.



When McNally Industries needed a loan, we moved into high gear

Our overline participation has been instrumental in their success.

When a customer looks to you for a loan, he doesn't want to hear that your loan committee meets once a week. He wants a fast response. And, when the loan requires participation, you expect the same kind of response from your correspondent.

At First Bank Saint Paul, we provide comprehensive credit services to our correspondents. Each of our calling officers is trained to be as responsive as you are in meeting and understanding your customers' borrowing needs.

For example, when McNally Industries, a precision gear manufacturer, decided to acquire a new product line, they needed a decisive loan response from First Bank of Grantsburg—not a "wait and see" approach. That's why their bank came to the Correspondent Banking Division of First Bank Saint Paul. They knew they would get prompt and total support.

Our correspondent banking team is headed by Dale Hanson. Since 1968, Dale has been the head of a commercial loan division and a member of the senior loan committee. His experience has taught him the value of total support for you and your customer. And if that means joining you and the calling officer in the field, to better understand their needs, he'll do it.

It is this kind of concern from Dale Hanson and our calling officers that sets First Bank Saint Paul apart. We have the resources and lending capabilities to help your customers grow. And when your customers grow, we all benefit.

If you are interested in a correspondent banking relationship that is committed to your customers as you are, call our Correspondent Banking Division at 291-5585.



First Bank Saint Paul

Member First Bank System

Correspondent Banking Division
332 Minnesota Street
Saint Paul, Minnesota 55101

Left to right Correspondent Bankers Dale
Hanson and Michael Mishou of First Bank
Saint Paul, discuss the needs of McNally
Industries with its President, Al Sorensen, and
Glen Johnson, President, First Bank of Grantsburg.



show signs of economic recovery on the farm, however, he does not feel that the recovery will be complete until 1985. He advised the bankers to communicate with the agri-business community and to become more involved in one to one communication with borrowers. The shrinking net worth of some farmers will require financial counseling and it is up to the banker to initiate those confrontations.

Mr. Kurtz followed by encouraging lenders to understand the credit line of the farm borrower and to be more knowledgeable of his farm operation. He also said that it is important to establish a sincere commitment to ag banking. It is equally important for the bank staff and management to be involved in this dedicated commitment.

Following the formal portion of the seminar the bankers were hosted to a reception which featured comments by Ray Scott, veteran sportscaster and voice of the Minnesota Vikings.

New Maplewood Officers

Jack Hillstrom, president, Maplewood State Bank, recently announced the advancement of Michael Ruether to vice president in charge of the commercial loan department and Brenda Rossback to assistant vice president in charge of installment loans.

Owatonna Bank Promotes Three

The board of directors of First Bank Owatonna announced the following promotions: Tim Wenzel to assistant vice president and agricultural loan manager; Lynn Drager to sales finance and installment loan manager, and Roger Stewart to installment loan officer.

Mr. Wenzel joined the bank in 1979 on a work-study internship program with the University of Minnesota.

Willmar Banker Dies

Norman Tallakson, well known Minnesota banker and retired president and board chairman of the bank of Willmar, died November 27, 1982, at the age of 92. He began his banking career as a clerk for the Kandiyohi County Bank, which later merged with the Bank of Willmar in 1911. He retired from the bank as

board chairman in 1961 and was honored by a "Norman Tallakson Recognition Day—50 years in Banking" open house.

During his banking career, Mr. Tallakson served as chairman of the County and District U.S. Savings Bond committee and was a founder and charter board member of the Independent Bankers Association of America. He also served on the council and various committees of the Minnesota Bankers Association and the Kandiyohi County Bankers Association.

Pint Rejoins 9th Fed as Chief Financial Officer

Michael J. Pint, Minnesota's commissioner of banks since 1979 and chairman of Minnesota State Commerce Commission, has been named senior vice president and chief financial officer of the Federal Reserve Bank of Minneapolis, effective January 3.



M.J. PINT

Mr. Pint was on leave from the Federal Reserve Bank during his tenure as state commissioner of banks. E. Gerald Corrigan, president of the Minneapolis Fed, said Mr. Pint was "an outstanding officer prior to his joining the state. He further distinguished himself — and the state — in his capacity as banking commissioner. All of us at the Fed are very pleased to have him back."

As senior vice president and chief financial officer, Mr. Pint will have senior responsibility for the bank's accounting, planning and control, statistical reporting, and human resource departments. In addition, he will also have senior responsibility for the bank's administrative services, building, and protection departments. He will be the bank's first designated chief financial officer.

Mr. Pint joined the Fed's examination department in 1967. He was named an assistant vice president in the supervision and regulation department in 1973 and subsequently served as an officer in securities and personnel. He is a graduate of the State College of Iowa, Cedar

Falls, and attended the Stonier Graduate School of Banking, Rutgers University.

To Head Glenwood Bank Insurance Agency

Keith Gilbertson has joined the Glenwood State Bank as manager of the Glenwood State Agency. He replaces Tom Winter, who left to head the insurance agency of the First National Bank of Pipestone.

Mr. Gilbertson was formerly with the Transamerican Insurance company and is well known in the insurance field.

Joins Anoka Bank

Phyllis Zunker has been appointed by State Bank of Anoka as a mortgage loan advisor. She joins the staff as a consultant in mortgage loan financing and has six years experience in installment lending.

Clarks Grove Bank Leader Dies

Funeral Services were held recently for Reuben B. Johnson, president of the State Bank of Clarks Grove for the past 40 years. At the age of 82, he passed away Nov. 24, 1982, at Naeve Hospital in Albert Lea.

He began working at the State Bank of Clarks Grove on February 1, 1927, and had been associated with the bank ever since. He had been active in numerous area and state banking organizations over the past 55 years.

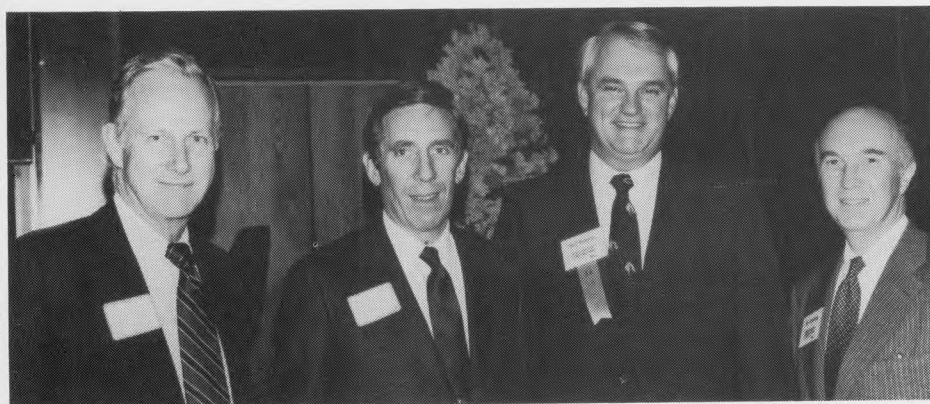
Fed Approval for Holding Companies

The Federal Reserve Bank of Minneapolis, acting under authority delegated by the Board of Governors of the Federal Reserve System, recently announced its approval of the following holding company applications:

Goodhue County Financial Corporation, Redwing, through the acquisition of the Goodhue County National Bank of Redwing.

Fosston Bancorporation, Inc., Fosston, through the acquisition of the Farmers State Bank of Fosston.

New Germany Bancshares, Inc., New Germany, through the acquisition of the First State Bank of New Germany.



GREETING guests at the Northwestern National Bank of Minneapolis annual Duck Dinner, which concluded the bank's 18th Annual Correspondent Banking Management Conference, were (from left): **John W. Morrison**, chmn. of the parent Northwest Bancorporation; **E. Peter Gillette, Jr.**, chmn. & c.e.o.; **Donald G. Pederson**, sr. v.p., and **W. James Armstrong**, pres. and chief fin. off., all three with Northwestern Natl. Bank.

At N.W. National's Management Conference—

Speakers See Hope in Year Ahead

AFTER the first two speakers had addressed the 18th Annual Correspondent Banking Management Conference and Duck Dinner hosted December 9 by Northwestern National Bank of Minneapolis, one veteran banker commented, "Well, they weren't really all that optimistic but at least they weren't pessimistic!"

He was referring to talks given by the host bank's chief economist and senior vice president. Dr. Sung Won Sohn, and by John Cole, chairman of the ABA Correspondent Bankers Division executive committee and senior vice president of Texas Commerce Bank, Houston.

Actually, the popular Dr. Sung Won Sohn did see some rays of hope after recounting, as any economist must do in a talk, all the grim features of the current recession. He reviewed the obvious problems in

the economy of the United States and other nations around the world, all of which are experiencing recession difficulties—and many of them runaway inflation. "All of this is caused by the U.S. economic recession," he stated, "because the United States is the engine of the world economy. It's all caused by our high interest rates, which have hurt the entire world."

He looked at the huge budget deficits of the nation, and the amount of the economy that debt service will take; the building credit demand during the runup in interest rates because cash flow ran out; political pressures on the Fed to loosen up from its tight money, inflation-fighting stance, and high unemployment rates. He said Fed chairman Volcker doesn't want a strong economic recovery all at once, even if he could get it. He needs judgment le-

way to move interest rates up or down, with an economy moving slowly with no wide swings.

Dr. Sung said he's "willing to say the prime will go to 10% and even below, which is a psychological factor." He sees a "weak recovery in the first half of 1983 and a strong recovery in the second half." He concluded by saying:

"So, I see: 1. Interest rates sliding down further. 2. 1982 as a difficult year for banks and 1983 also may be the same. 3. Banks have come through previous scrapes like this unscathed and they will do so in 1983."

Mr. Cole was speaking while the pro football strike was still in progress. "The NFL is rebuilding through talking up teamwork," he noted, "and the banking industry needs the same thing. The vast majority of United States banks have the same goals but they choose different roads to get there. While the banking industry was splitting into smaller segments with individual goals, banking's competitors were moving in a big way...The new instrument (December 14 Money Market Deposit Account) may be the most important thing that has happened in modern times for the banking industry."

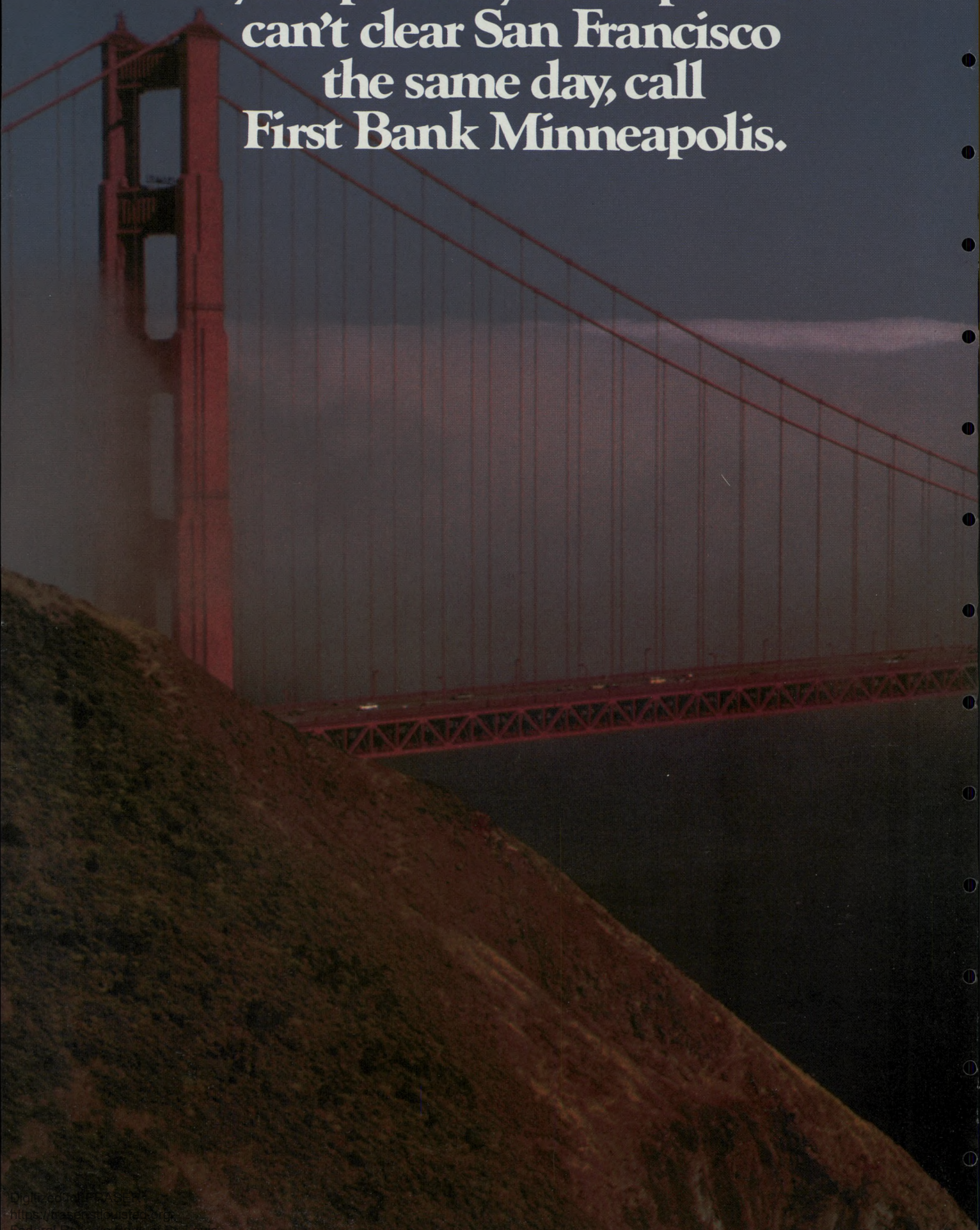
Referring to his own field of correspondent banking, Mr. Cole said, "I think the correspondent banking function will be a survivor. It may be carrying a different name, such as financial institution division, regional banking, or corporate or national banking. However, the basic functions of providing services to, and for, respondents will still be there. The basic skills of the officers should not change; if anything, they will expand."

He said commercial bankers are



LEFT—John Cole, chmn. exec. comm. of ABA's correspondent bank division and sr.v.p., Texas Commerce Bank, N.A., Houston. **CENTER—Ron Olson** of Olson Research Associates, Inc., Greenbelt, Md., and **Scott Ulbrich**, corr. bkg. off., N.W. Natl. **RIGHT—John E. Mangold**, member exec. comm. of ABA correspondent bank div. and sr. v.p., Merchants Natl., Cedar Rapids, Ia.; **Bob Barlow**, pres., Iowa Falls State Bank, Iowa Falls, Ia., and his son, **John R. Barlow**, of Market Trends, Inc., Minneapolis, who presented one of the four workshops.

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most items and credit for the rest in one day. And we still accept payment for our services through balances.

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learning how to co-exist with several new competitors "in which all teams don't play on the same size field... you are operating in an environment that is not the exclusive domain of banks. It is one infested with several new varieties of political species. It is now the time to place renewed emphasis on the basics of banking. Don't resort to short-term solutions for those situations that require long-term decisions. It's time to take a renewed interest in the bottom line—not just yours, but the industry's as well."

Those two speakers' comments were delivered as a preliminary to the remainder of the conference program. They were introduced by W. James Armstrong, president and chief financial officer of Northwestern National Bank. The format for the balance of the program was reviewed by Donald G. Pederson, senior vice president and head of the correspondent bank division. A series of four sessions were presented during the afternoon to allow guests to move from one room to another so that at least two of the presentations could be heard in full.

"Asset/Liability Management" was presented as a repeat performance from last year by Ron Olson and Pete Marks of Olson Research Associates, Inc., of Greenbelt, Md.

"Community Bank Marketing Strategies in 1983" was covered by John R. Barlow of Market Trends, Inc., Minneapolis. He is a former Northwestern National officer.

"1983 Outlook—Challenges Facing the Agricultural Industry" was the topic presented jointly by Larry J. Wipf, vice president and director of regional economics for Northwestern National, and Holmes P. Pedelty, agri-businessman, Clear Lake, Ia.

"The Old Order Changeth or Ban the Basics?" was the fourth seminar, and was presided over by Charles T. McGarraugh, retired senior vice president of Northwestern National.

At the conclusion of the double presentation of each seminar, a reception with spouses followed, and then was adjourned to the ballroom for Northwestern's Annual Duck Dinner. John Morrison, chairman of Northwestern Bancorporation, spoke briefly to pay tribute to the Northwestern and Banco staff people who had responded so wholeheartedly just a few days earlier when the two corporations lost their 17-story home in a Thanksgiving Day fire (additional story in this issue).

Mr. Pederson then introduced the entertainment for the evening which proved to be sensational—Paul Todd at the piano, electric organ and synthesizer, and singer Linda Eder, from Garrison, Minn. They were headed to Atlantic City, N.J. and were hoping for their break into the New York circuit. If they didn't make it after the tremendous performance they put on that evening, then show business is the poorer for failing to recognize a class act. □

Announces Pricing Formula For Bank Stock Loans

The Independent State Bank of Minnesota has announced the introduction of PRIME MINUS, a new and exclusive pricing formula for bank stock acquisition loans at less than current prime interest rates. PRIME MINUS is available to all independent banks in Minnesota effective December 15, 1982.

"Providing our member banks with the necessary financing for the orderly exchange of bank stock is seen as the most important service of ISB and will be a major activity for the foreseeable future. We are delighted to offer the obvious advantages of PRIME MINUS," reports Edward A. Hennen, ISB president.

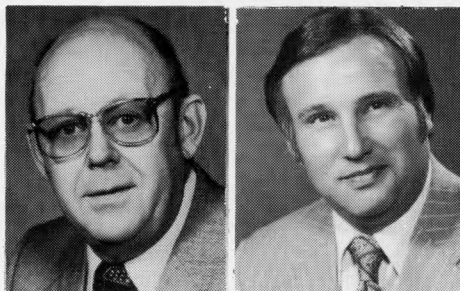
BAI Will Sponsor 1983 Bank Security Conference

Bank Administration Institute will sponsor its 1983 Conference on Bank Security, "Security: The Growing Profession," on February 27-March 2, at the Fairmont Hotel in New Orleans.

Lewis H. Bunker is chairman of the Institute's Security Commission and vice president-security, The Riggs National Bank, Washington, D.C. He said topics to be covered during the three-day meeting include ATM security, check kiting, alarm systems, computer fraud, security management, contingency planning, and bank robbery.

South Dakota

D.O. Mehlhaff, pres., Eureka
J. M. Schwartz, exec. mgr., Pierre



Sioux Falls Promotions Told

Al Severson, president, Northwestern National Bank of Sioux Falls, has announced the election of Donald C. Anderson to executive vice president, branch administration, and Richard E. "Dick" Brown to vice president.

Mr. Anderson will be responsible for the overall development and direction of the bank's agricultural programs and branch administration. He has held the position of vice

president, agricultural department and senior vice president with the First National Bank of Aberdeen.

Mr. Brown's advancement expands his current responsibilities to develop and administer a marketing plan throughout the bank's system of 14 full service branches. He will continue to direct the bank's public affairs program and serve as government affairs coordinator with the Northwestern Bancorporation affiliates in South Dakota.

Black Hills Employee Elected an Officer

President Charles T. Undlin of the First National Bank of the Black Hills, announced the election of Patty Fugate as operations officer at the Villa Rancharo office.

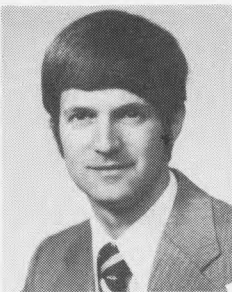
Ms. Fugate began her banking career with First National Bank in 1975 in main office operations. In 1978 she was promoted to branch operations and transferred to the Villa Rancharo office in 1981 as the operations supervisor.

Holding Company Formed

Scotland Holding Company, Scotland, recently received approval from the Federal Reserve Bank of Minneapolis to become a bank holding company through the acquisition of the Farmers & Merchants State Bank, Scotland.

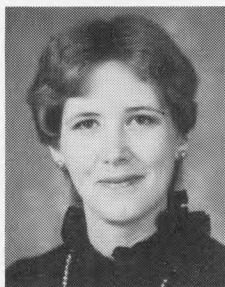
North Dakota

J.M. McGinley, pres., Williston
H. J. Argue, exec. dir., Bismarck



Three Named at Bismarck

Governor Allen Olson has announced the promotions of three Bank of North Dakota employees to officer positions. Julie Kubisiak, a Bismarck native, was promoted to supervisor in the application, disbursement and transfer section of the student



J. KUBISIAK



L. LACHER



C. WARREN

loan department. Kathy Lacher, also from Bismarck, was promoted to assistant cashier. And Claudette Warren, an Omaha native, was named assistant cashier.

Bank of North Dakota President Herb Thorndal also announced that a former federal bank examiner, Kim Kaul, has joined the state bank as a loan officer.

Vice President Elected

Wayne E. Puppe has been elected vice president and second officer at First Bank of North Dakota - Fargo. The announcement was made by President Oliver H. Hagen. Mr. Puppe will be in charge of the commercial lending division at First Bank.

Mr. Puppe received his Bachelor of Science degree from North Dakota State University. He began his banking career at the American Bank and Trust Company in Moorhead, Minn., where he became second officer and senior vice president

in the commercial lending department. He has completed various banking schools, including the Graduate School of Banking at the University of Wisconsin.

Joins Fargo Bank

David D. Gordon, president of The Fargo National Bank and Trust Company, announced the appointment of Ron McGlynn to the staff as a commercial lending officer. Prior to his appointment at the bank, he was employed by the Bank of North Dakota as a correspondent bank officer.

Mr. McGlynn is a graduate of Mayville State College, Mayville, N.D., and the Kansas Agricultural Banking School, Kansas State University.

Williston Facility Opened

American Bank & Trust Company of Williston recently opened up a drive-up, walk-up facility located at Second Avenue West and Highway #2, Williston.

Fargo Promotions Announced

George W. Schwartz, president of First National Bank of Fargo, recently announced the promotions of Jack Holm, Susan Gollehon and Eric Fischer.

Jack Holm, currently vice president and manager of First National Bank - West, has been appointed vice president marketing group. He joined First National Bank of Fargo in 1973 and began his banking career at Northwestern National Bank of Valley City in 1963.

Susan Gollehon has been appointed marketing officer. She began her banking career in 1970 with First Bank of Fargo and prior to joining First National Bank was employed by First National Bank of Grand Forks.

Eric Fischer has been appointed

credit officer. Before joining First National Bank in 1980, he was employed by Charles Bailly & Company of Fargo. He is a member of the North Dakota Society of CPA's and is director for the National Association of Accountants.

New Name Announced

State Bank of Burleigh County Trust Company, Bismarck, has changed its name to United Bank of Bismarck, and has moved its main banking house to 217 North Seventh Street, within the city of Bismarck.

Acquisition Approved

The Federal Reserve Bank of Minneapolis has approved the application by Hazelton Bancshares, Inc., Hazelton, to become a bank holding company through the acquisition of the Bank of Hazelton.

Capital Increases Told

The following banks have increased their capital by stock dividend: Security State Bank of New Salem, from \$80,000 to \$400,000, effective September 10, 1982; and State Bank of Buffalo, from \$50,000 to \$100,000, effective September 13, 1982.

Joins Jamestown Bank

Daniel P. Schorsch, president of the First National Bank of Jamestown announced the election of Ronald K. Strand as senior vice president - credit administration.

He replaces William N. DuToit who has resigned to accept a position as executive vice president of the First National Bank of Bowman.



R.K. STRAND

Mr. Strand was previously vice president and manager of the agricultural lending department of the First National Bank of Moorhead, Minn., which is also an affiliate of the Northwest Bancorporation. He joined the Moorhead bank in 1973 after working with the Farmers Home Administration in South Dakota. He holds a Bachelor of Science Degree from North Dakota State University of Fargo and also graduated from the Colorado Graduate School of Banking.

Montana

E.C. Gross, pres., Hardin
J.T. Cadby, exec. v.p., Helena



Butte Banker Retires

Lois Morrison, assistant vice president of First Bank Butte, has retired after more than 40 years of service to the bank. Most recently, Ms. Morrison was assistant vice president of operations and security officer. Prior to assuming that post, Ms. Morrison was assistant vice president in charge of personnel.

Anaconda Promotion

The board of directors of First Security Bank of Anaconda have elected Don Clark as senior vice president and senior credit officer. Mr. Clark has been serving as chairman of the officers and directors credit committees and this promotion is in recognition of his performance in the administration of credit service of the bank.



D. CLARK

Mr. Clark was elected to the board of directors in 1981 and has served as vice president in charge of the commercial loan department for several years. He has been with First Security since 1972 and is currently a student of the Prochnow Graduate School of Banking in Madison, Wis.

Two Advance in Great Falls

C.E. (Chuck) Pedersen, president and chief executive officer of First Interstate Bank of Great Falls announces the appointment of two new officers.

Sharon Rivera has been promoted to assistant operations officer. She has been with the bank since 1974 and has worked in operations department since 1980.

Joan Healey has been promoted to customer sales officer and will be directly involved with the develop-

ment of the new Financial Services Center. She has been with the bank since 1978 and has served as marketing assistant for the past three years.

Two Join Billings Bank

Al Winegardner, president of First Northwestern National Bank of Billings, has announced the addition of two new staff members.

Patrick L. Hogan has joined the bank as vice president and manager of the loan servicing center. He received a bachelor's degree in business economics from the University of Portland and immediately went to work for the Comptroller of the Currency, where he spent 18 years. His last official title was examiner in charge of the Billings sub-region.

Bill Beatty is the new controller for the bank. He has been working as a financial analyst for the Minneapolis corporate office where he was responsible for five-year and annual planning. He graduated with a bachelor of science degree in business from the University of Nebraska in Lincoln.

Miles City Executive Elected

The board of directors of First Bank Miles City elected Gordon L. Bickle to succeed Robert L. Reiquam as president and chief executive officer. Mr. Bickle returns to Miles City after 18 years with First Bank System banks in Bismarck, LaCrosse, Wis., and Albert Lea, Minn.

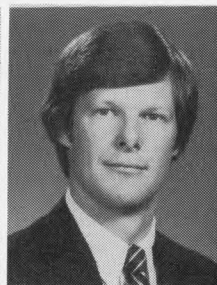
Mr. Bickle started his banking career with First National Bank in Miles City in 1953 and most recently served as president of First Bank Albert Lea. He is a graduate of Kinman University, the University of Wisconsin Graduate School of Banking, the Community Chief Executive Officer Program and the National School of Bank Investments.

Two Advanced in Billings

The board of directors of First Bank Billings has elected Diane Osborn and Mike Hickey to vice president. The board also appointed Mike Hickey and Gregg Lovell to the First Bank loan and discount committee.



D. OSBORN



M. HICKEY

Ms. Osborn began her career with First Bank Billings in 1966 and was promoted to the position she now holds, manager of the real estate loan department, in 1981.

Mr. Hickey transferred to First Bank Billings in 1979 as a commercial loan officer after having worked previously for the First National Bank of Lewistown and the First National Bank of Minneapolis. He was promoted to his most recent position, commercial loan assistant vice president, in 1981.

Richland Banker Promoted

The Richland National Bank and Trust of Sidney has announced the promotion of Don Gratz to marketing officer. Mr. Gratz joined the bank in 1979 as a trainee after several years in the Sidney school system and has worked since then in installment and consumer loans. His new duties will include business development and public relations in addition to continuing some of his duties in the consumer lending area and as personnel officer.

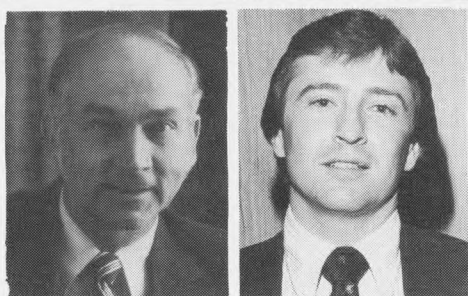
Joins Bank of Montana System

William J. "Bill" Eidel has been named vice president and treasurer of Bank of Montana System according to an announcement made by Samuel R. Noel, executive vice president.

Mr. Eidel, a C.P.A., was previously associated with Peat, Marwick, Mitchell and Co. for nine years, most recently as an audit manager. He is a member of the American Institute of Certified Public Accountants and a member of Montana Society of Certified Public Accountants.

Colorado

A.R. Koenke, chmn. & pres., Rifle
D. A. Childers, exec. mgr., Denver



First Interstate Bancorp Propose to Purchase IntraWest Bank of Denver

IN A surprise move that took place just three days before Christmas, it was announced in Denver that First Interstate Bancorp, the nation's largest bank holding company, plans to purchase IntraWest Bank of Denver. The proposal was confirmed by Joseph J. Pinola, chairman of First Interstate Bancorp, Los Angeles, and Ted Brown, chairman of IntraWest Financial Corp.

IntraWest is the lead bank of IntraWest Financial and has assets of about \$2 billion. It was announced recently that the holding company and IntraWest Bank would take substantial losses for 1982—\$66 million—and this would result in a net loss for the year to the holding company of \$10 to \$12 million.

Mr. Pinola said discussions had been underway for some time for the purchase and discounted any comments that the First Interstate purchase would be in jeopardy, stating that he agrees with the manner in which IntraWest decided to take the large loan losses in order to place the holding company and bank on a sounder footing.

If the purchase is approved by directors of both institutions and by regulatory authorities, IntraWest and First Interstate Bank of Denver, would be merged as First Interstate Bank of Denver, with \$2.4 billion in assets.

Upon approval of the merger, Robert E. Lee, now president and chief executive officer of IntraWest Bank (formerly First National Bank), would become chairman and chief executive officer of the merged First Interstate Bank of Denver. He is also currently vice chairman of the IntraWest Financial.

Bruce W. Hulbert, president and chief executive officer of First Interstate Bank of Denver, would be-

come vice chairman of the merged bank.

John M. Eggemeyer III, who was named president recently of IntraWest Financial, effective January 1, would become president and chief operating officer of the merged bank. He joined the IntraWest organization last August.

The sale price of IntraWest Bank is reported to be \$125 million, about 1.1 times book value.

IntraWest Financial, with Mr. Brown as chairman, would retain its other 14 banks in Colorado, its mortgage lending, leasing and insurance subsidiaries, with assets of \$3 billion. First Interstate Bancorp has 21 banks and 950 outlets in 11 western states, all with \$39 billion assets. It has two other Colorado banks besides First Interstate Bank of Denver.

Chatfield Bank Acquisition Completed

George B. McKinley, president and chief executive officer of Central Bancorporation, Inc., and Mike A. Leprino, principal shareholder of Chatfield Bank, announced recently that the bank holding company has completed the acquisition of Chatfield Bank. The bank reported total assets of \$36.8 million and total deposits of \$30.9 million as of November 30, 1982.

The name of the bank is to be changed to Central Bank of Chatfield which is consistent with the names of the other holding company banks on the Front Range. The bank's president is Rodney Brethower and Mr. McKinley indicated that no changes in the bank management are anticipated.

Central Bancorporation, Inc., is a state-wide holding company owning 18 member banks in Colorado.

Two Promoted and Director Elected

Gilbert D. Friesen, director of finance and corporate services for Tri-State Generation & Transmission Association, Inc., has been elected to the board of directors of IntraWest Bank of Northglenn, according to Wesley J. Watson, chairman of the board and chief executive officer of the bank.

Denver Banker Retires

N. Berne Hart, president and chairman of United Banks of Colorado, Inc., a multi-bank holding company, has announced the retirement of Earl G. Wiebold, executive vice president—planning, effective January, 1983.

Mr. Wiebold joined Denver National Bank (a predecessor of United Bank of Denver) as a teller in 1952.

Hazelrigg New President At United Bank of Denver

Richard A. Kirk, president, chairman and chief executive officer of United Bank of Denver, announced last month that the board of directors has elected Charles R. Hazelrigg as president of the bank. Additionally, Mr. Hazelrigg has been elected to the bank's board of directors. Mr. Kirk will continue as chairman and chief executive officer.



R.A. KIRK

C.R. HAZELRIGG

Mr. Hazelrigg, 49, joined United Bank of Denver in 1958 after serving as finance and accounting officer in the Air Force. He was graduated from Miami University in Oxford, Ohio. Mr. Hazelrigg initially was a security analyst in the trust banking division, then served in a variety of posts, including being project manager for United Bank's successful introduction of Master Charge in the Rocky Mountain region in 1968. He then served in the commercial banking division and has been a senior executive vice president since 1981.

Marketing Director Named

R.K. Hudson, president of The National City Bank of Denver, recently announced the appointment of Ruth Roberts as marketing director.

Ms. Roberts is a graduate of Colorado State University and is currently working on a master's degree from the University of Colorado. Prior to joining National City Bank, she was employed by Central Bank of Denver and most recently with IntraWest Bank of Denver where she participated in retail and trust marketing programs.

To Chair Western Regional Council

Bruce M. Rockwell, chairman of Colorado National Bancshares, Inc. and Colorado National Bank of Denver, was elected chairman of the board of Western Regional Council at its annual meeting.

Western Regional Council is a membership association of chief executive officers of fifty major companies located in the eight Rocky Mountain states — Idaho, Montana, Nevada, Utah, Wyoming, Colorado, New Mexico and Arizona. The mem-

ber companies are engaged in oil and gas development and distribution, mining, banking and agriculture. The organization is concerned with public policy issues that immediately affect the western states and the business of the West. At present Western Regional Council is involved with developing and advancing positions on such issues as clean air, clean water, Indian water rights, wilderness, coal export and leasing, energy impact, and others.

Two Promoted in Westminster

Mr. Clarence J. Hill, president of the Bank of Westminster, has announced that Wanda S. Powers has been named vice president and cashier and LaDonna S. Piper has been named loan officer of the bank.

Ms. Powers has extensive experience in all phases of bank operations. She was cashier, auditor and head bookkeeper of banks in Wyoming, Kansas and the Denver metro area before accepting her current position.

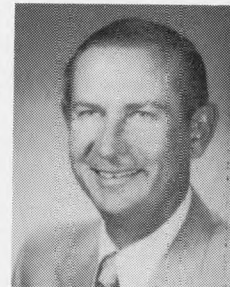
Ms. Piper began her banking career as a secretary in the correspondent division of the First National

Bank of Denver and then became secretary to the president of Arvada State Bank. Prior to joining the Bank of Westminster as a loan representative, she was administrative liaison to the president and chief executive officer of three single bank holding companies, including Westminster Bankshares, Ltd.

Joins Bank in Colorado Springs

Kenneth R. Weissenfluh has been named a vice president of The Western National Bank of Colorado Springs and will be in the commercial loans department.

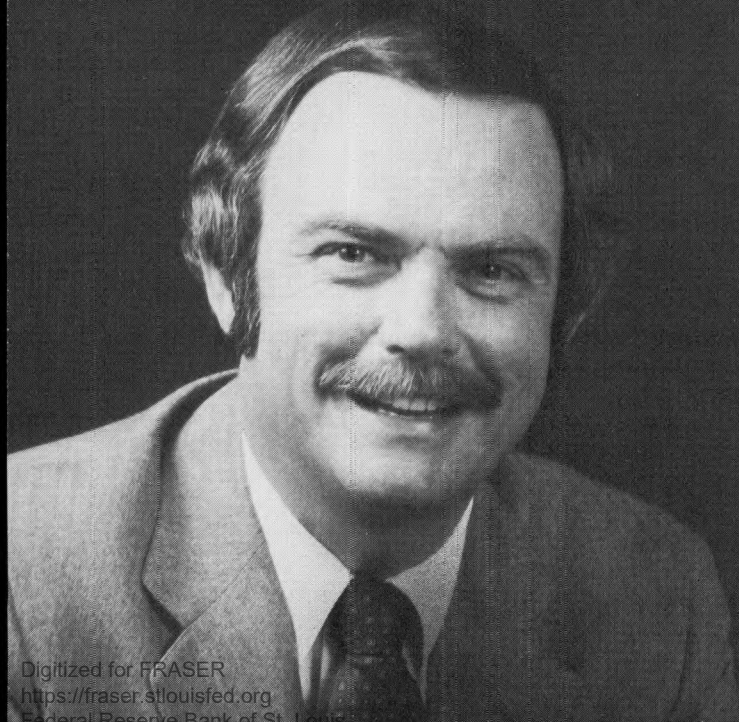
A commercial banker for 17 years, Mr. Weissenfluh has numerous professional affiliations as well as being active in many community organizations. He is a graduate of Colorado State University as well as The Northwestern University Graduate School of Mortgage Banking.



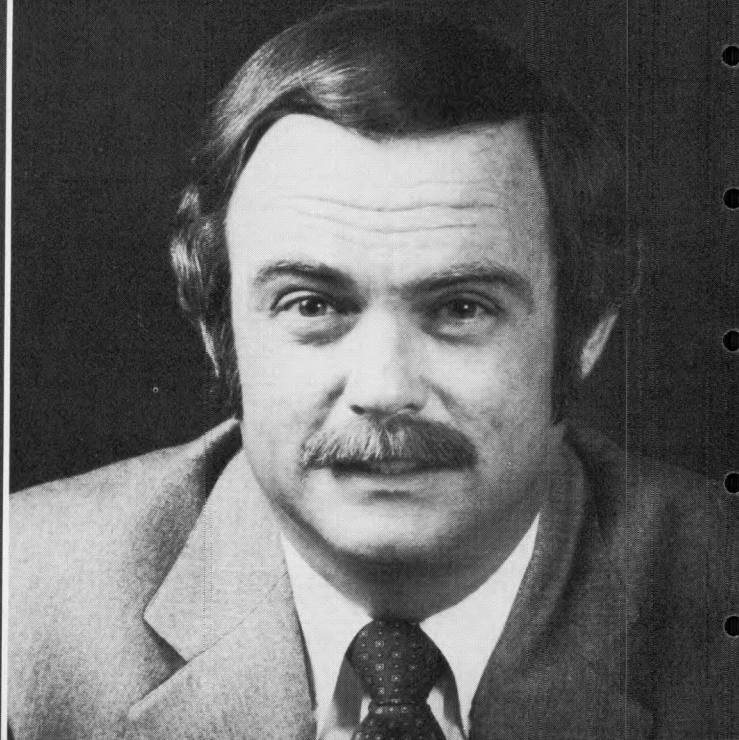
K.R. WEISSENFLUH

In my job as a correspondent banker,
every day is different.

Yesterday I helped a bank work out
some bugs in their EEO plan through
our Human Resources Division.



Last week I set up a
bank stock loan to help finance
a new bank in northern Colorado.



Wyoming

H.A. Hitch, pres., Casper
M. C. Mundell, exec. dir., Laramie



New Bank for Rock Springs

Scheduled to open in early February, the American National Bank of Rock Springs will be the fifth bank in the community. Charles Jones, currently a vice president with the Denver based American Bank Corporation, will assume duties of chairman of the board of the new bank.

Joins Sheridan Bank

The directors of the Bank of Commerce, Sheridan, recently announced the appointment of Thomas N. Ahern to the bank staff as a commercial loan officer.

Mr. Ahern has a masters degree in business administration from the University of Wyoming. He has gained experience as an account ex-

ecutive with a stock and bond brokerage firm, in professional money management and in real estate mortgage loans.

New Riverton Officer

Dennis Heckart recently joined the Riverton State Bank as a loan officer. A business administration graduate from the University of Wyoming, he has previous banking experience with banks in Denver and Lander.

New Rock Springs Banker

First Security Bank of Rock Springs officials announced that C. Douglas Snell has joined the bank as a mortgage loan officer. He has ten

years of experience in the savings and loan industry.

Casper Bank Promotion

Robert W. Miracle, president and chief executive officer of the Wyoming National Bank of Casper, recently announced that Terry Brake has been elected to the position of real estate loan officer. In her new capacity, she will be responsible for construction loans and real estate collections.

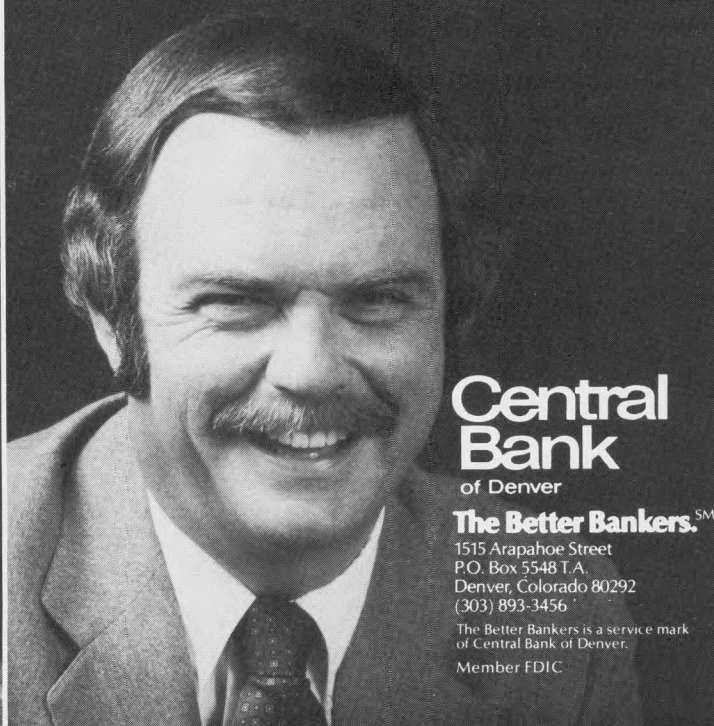
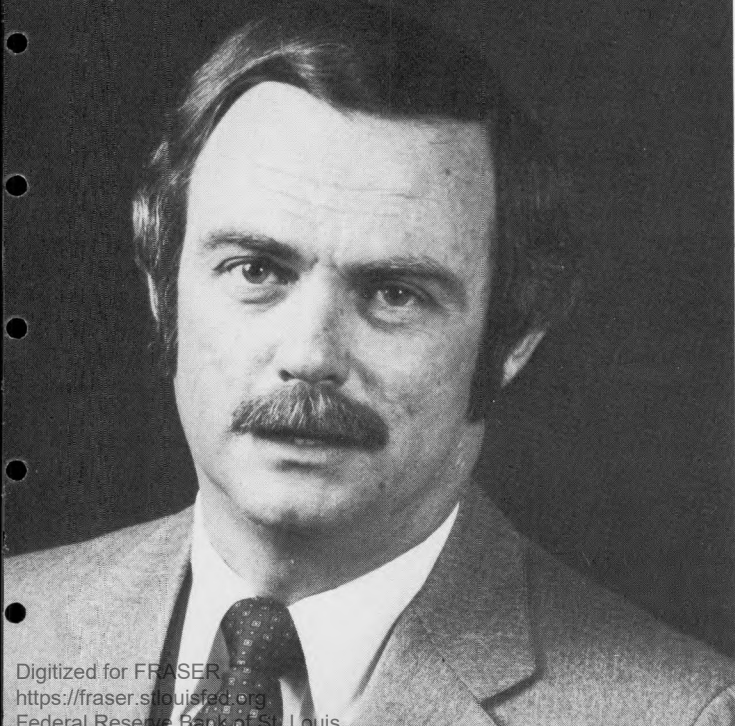
Before joining the bank, Ms. Brake had accumulated over eighteen years of varied lending experience. Most recently, she was the branch administrator of a local corporation. She attended Casper College and has also attended several management and financial seminars.

V.P. and Cashier Elected

Mr. Garth G. Thomas, president and chief executive officer of South Denver National Bank, has announced the appointment of Mayo S. "Corky" Dodd to the position of vice president and cashier in charge of all bank operations.

Tomorrow I'm bringing in some tellers from a bank in Wyoming for a training program we've put together to sharpen their skills.

If you're not working with us now, give me—Bill Tumelty—a call. Find out about the ways we can serve you. I think you'll discover we have a genuine interest in you and in being The Better Bankers.SM

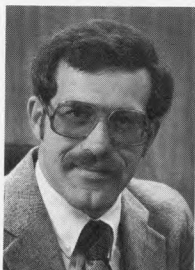


Central Bank
of Denver

The Better Bankers.SM

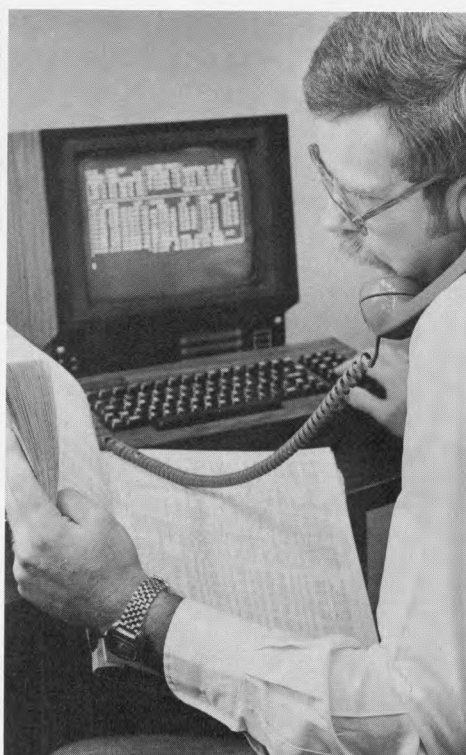
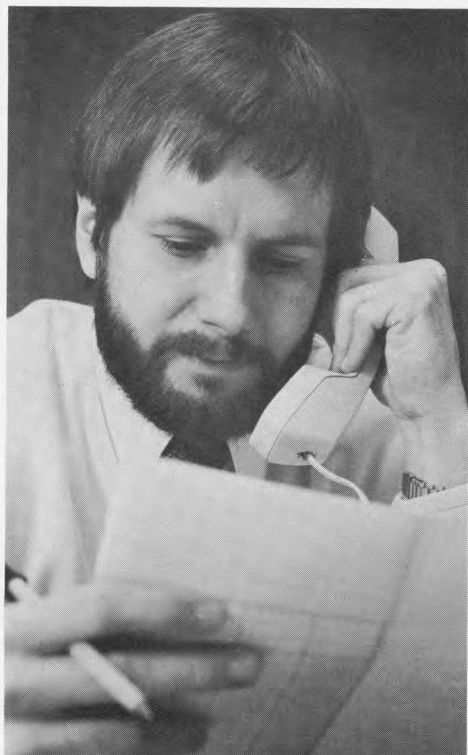
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*"It's not uncommon
for us to handle over
\$300 million in
investment
transactions
each day."*

*Bob Billmeyer
U.S. National/
Investment Division*



Good investment advice— from one banker to another. Another reason to depend on us.

The Investment Division of the U.S. National Bank speaks the same language as the correspondent banker. And since we're in the same business, we understand the pressures and challenges bankers are facing day after day.

The U.S. National has been by the side of correspondent banks for years, helping maximize excess funds with aggressive investment services. And this commitment will continue for many years to come.

By teaming up with the full-service capabilities of the U.S. National, and the enormous resources of our BANCO affiliates, correspondent banks can reach deeply into investment opportunities not available by working alone. Aggressive and productive investment advice. A good reason for correspondent banks to depend on us.

For more information, call Bob Billmeyer.
Toll free. Nebraska—1-800-642-8270
Bordering States—1-800-228-9225

Main Bank
20th & Farnam
536-2000

Regency Office
10010 Regency Circle
536-2400

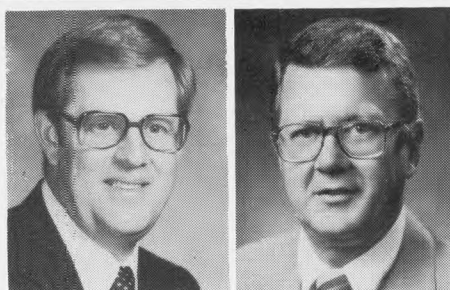
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H.P. Stuckey, pres., Lexington
S. Matzke, Jr., exec. v.p., Lincoln



New President for Fremont Bank

At the regular December board meeting of the First National Bank & Trust Company of Fremont, H.W. "Bud" Hendriksen advised the board that since he had reached the age of 65 last August, it was his intention not to stand for re-election as president of First National. Mr. Hendriksen was asked if he would consent to continue as a director of the bank and to take over as head of First National's trust department. He accepted the proposal and as-

sumed his new duties January 1. Mr. Hendriksen became head of the bank in 1979.

The board elected Richard M. Fritz, vice president of commercial lending, to succeed Mr. Hendriksen as president. The former president of First National Bank & Trust Company of Kearney, he joined the bank in 1982.

Mr. Fritz is a graduate of Iowa State University with a bachelor of science degree in agricultural education. He has also completed the School of Consumer Banking at the University of Virginia and the

School of Bank Marketing at the University of Colorado.

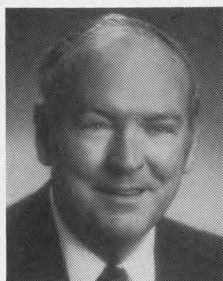
John Westerberg, a former First National vice president, will return to the bank as executive vice president/administration.

Following college, Mr. Westerberg joined the National Bank of Commerce where he spent eight years. He then joined the First National Bank of Fremont in 1973 serving as vice president/commercial loans. He left after two years to become the head of Lincoln Bank East.

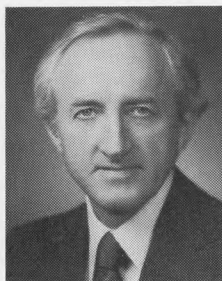
Mr. Westerberg attended the University of Nebraska at Lincoln and has completed the Colorado School of Banking.

The board of directors also announced the following promotions:

Clifford Cushman to executive vice president—loans; Gary Bernhardt to senior vice president and cashier; Kenneth Vampola to assistant vice president and marketing officer; Robert Phares to vice president, and Charlene Bittner to assistant trust officer.



H.W. HENDRIKSEN



R.M. FRITZ



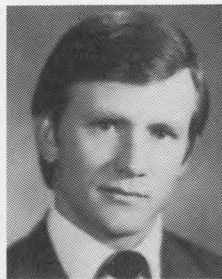
J. WESTERBERG



C. CUSHMAN



G.L. BERNHARDT



K.J. VAMPOLA



R.C. PHARES



C. BITTNER

Joins Siouxland National

Involved in banking and finance since 1968, James V. Clausen, 38, has been named a vice president at the Siouxland National Bank in South Sioux City. Mr. Clausen has worked at Associate Finance and Toy City National Bank in Sioux City, and at the Holstein State Bank in Holstein, Ia. In his new position, Mr. Clausen's chief responsibilities will be in agricultural lending.

Hallam Changes Announced

Craig D. Wittstruck has been elected a director at the Hallam Bank, Hallam, Neb. Mr. Craig is with the law firm of Berry, Anderson, Creager and Wittstruck.

First Security, Holdrege, Completes New Addition

OPEN HOUSE was held recently at First Security Bank in Holdrege to show customers and the public the new addition and the complete remodeling of the existing bank quarter. The new addition has more than doubled the bank's physical size, according to William E. Richards, chairman and president.

The new customer lobby provides an attractive setting for daily business activity. The focal point is a stained glass ceiling fixture created by Dirk of Denver. Each of the

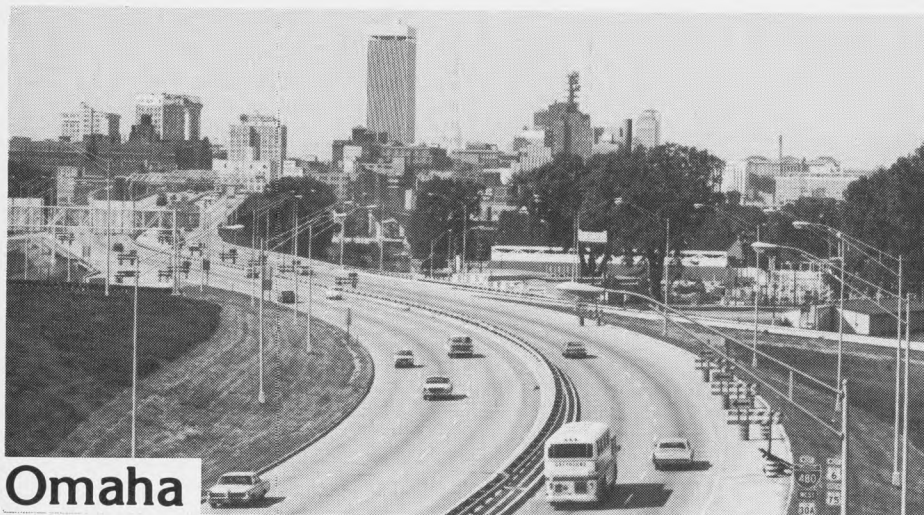
hundreds of pieces of specially cut glass have been leaded into place. Surrounding the stained glass fixture and spreading over the lobby ceiling are giant cherrywood beams in an octagonal shape.

The ceiling design is complemented with a teller line of curvilinear design. Two secretary-receptionist desks in round design accentuate the new lines. All officers have private offices to insure customer privacy.

The bookkeeping department has been enlarged to accommodate new

equipment and staff. Almost everything in the bank is new, including a new vault which is several times larger than the old one. New customer facilities include coupon booths for safe deposit box users, an Instant Cash ATM, new kitchen and lounge area for employees, educational and training facility, and conference rooms.

First Security Bank was founded in 1950. The bank was remodeled in 1964. Mr. Richards purchased the bank in 1968.



Omaha

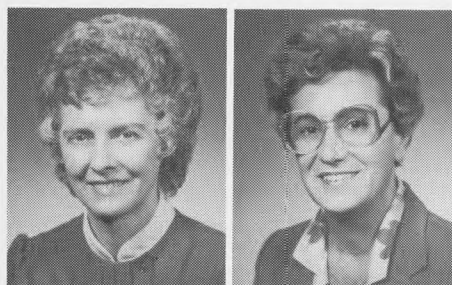
First National Bank of Omaha announces the addition of **Mark Sorensen** to their correspondent bank department as an agriculture representative.

Mr. Sorensen graduated from Iowa State University with a degree in agricultural business. Prior to joining First National, Mr. Sorensen was employed as a loan officer with the Sioux City Production Credit Association.

* * *

The election of **Jean Collins** to the position of personnel officer and **Bernadine G. McCormack** to the position of personal banking officer have been announced by Donald J. Murphy, chairman of the United States National Bank of Omaha.

Ms. Collins joined U.S. National Bank in 1946 in the proof/transit department and continued working in various operations areas before joining the personnel department in 1959. In 1968, she was named executive secretary for the administration division, returned to personnel in 1977, and was made employee relations assistant in 1978.



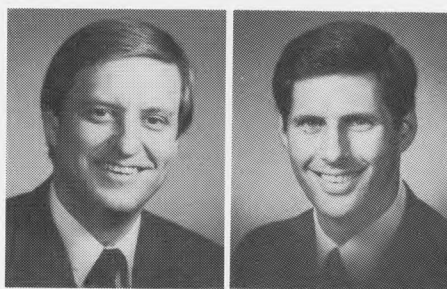
J. COLLINS

B.G. MC CORMACK

Ms. McCormack came to the bank in 1976 as a senior secretary at U.S. National/Regency, following 22 years with Manpower, Inc., where she served as office division manager. In 1980, she was named personal banker with the retail banking division of U.S. National Bank/Regency.

* * *

John M. Shonsey, Board chairman of American National Corporation, announces the election of two men to positions in the American National Bank, a wholly-owned subsidiary. **Jerry B. Weber** has been elected vice president and trust officer, and **John Smolsky** has been elected cashier of the bank.



J.B. WEBER

J. SMOLSKY

Active in real estate planning and trust management since graduation from the University of Nebraska at Lincoln in 1969, Mr. Weber, simultaneously, had been vice president and trust officer of two Kansas banks before joining the American National Bank.

A graduate of several American Institute of Banking-sponsored courses, he had also been associated with the National Bank of Commerce of Lincoln.

Prior to his promotion, Mr. Smolsky had been assistant vice president-operations. Associated with

the Omaha office of the accounting firm of Arthur Andersen and Co. for five years before joining the bank in 1982, Mr. Smolsky specialized in auditing of financial institutions. An Omaha native, he earned his bachelor's degree in business administration from the University of Nebraska at Omaha in 1977.

* * *

Douglas S. Oldaker has joined the Omaha National Bank's estate and trust division as a personal trust account administrator.

A native of Iowa City, Mr. Oldaker received a finance degree from Creighton University's College of Business and was graduated last May from the Creighton Law School.

* * *

The opening of Douglas County Bank & Trust Co.'s new Harvey Oaks office at 14545 West Center Road last month coincided with the bank's 50th anniversary of founding, according to **Dale Heimann**, president. The office is the bank's third in metropolitan Omaha, and is located in a developing major shopping center.

A ribbon of 100 \$2 bills was used for the ribbon-cutting ceremony. Wielding the scissors were **Mayor Boyle** and **Connie Findlay** of the City Council, and **J. K. Harvey**, board chairman and son of the bank's founder, Kenneth G. Harvey. The ribbon then was donated to the American Heart Association. The new building replaces a temporary one at 144th and Arbor.

* * *

Lyle A. Haugen has been advanced to president of Security National Bank from his former positions as executive vice president and cashier. He succeeds **C. L. Landen**, who continues as chairman of the board. Mr. Haugen joined the bank in 1966 and has been a director since 1971. He is a native of South Dakota.

Mr. Landen also announced recently the completion of a \$1 million building program that included construction of five drive-through lanes. The six-month construction job included extensive remodeling of the exterior and interior. Bank headquarters continue to be located at 35th and Farnam Streets, the site of its original building when founded in 1964. Security National's assets

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first national bank
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In Nebraska call us toll free at 800-642-9907. Outside Nebraska call us toll free at 800-228-9533. Member FDIC.

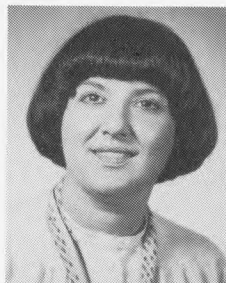
now are \$37 million, Mr. Landen said.

Howard H. Agee, former chairman of the North Side Bank, died recently at his Omaha home, where he became ill suddenly. Mr. Agee, 66, joined the North Side Bank board in 1966 and was chairman from 1976 to 1980. He founded American Road Equipment Co. in 1943 and was its president.

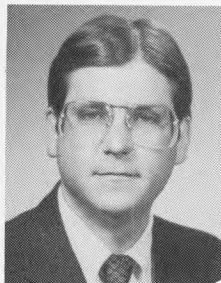
The First National Bank of Omaha has placed ATMs in four additional locations in Omaha. Two are in Hinky Dinky food stores, one is in a Quik Shop location, and the fourth is in a wholesale food outlet in South Omaha.

Realbanc, Inc., an Omaha-based mortgage banking firm, has appointed three new second vice presidents: Sherry L. Coughlin, David A. "Pete" Horacek, and Larry L. Richling.

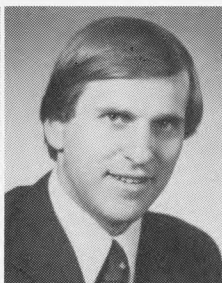
Ms. Coughlin joined the bank in 1976 as an assistant loan officer. Mr. Horacek



S.L. COUGHLIN



D.A. HORACEK



L.L. RICHLING

joined Realbanc's Lincoln office in 1978 as a loan officer, and moved to Omaha as director of branch operations in 1982. Mr. Richling has been a mortgage loan officer since he joined Realbanc in 1977.

New Director Named

Andy Armbruster, a partner in the law firm of Armbruster, Nelson and Hart, has been appointed to the board of directors of the First Bank and Trust Company in Cozad, Neb. Chairman of the Board Juhl Smith announced that Mr. Armbruster has assumed the position formerly held by his father, Allan Armbruster Sr.

Hyannis Promotion Told

The board of directors of the Bank of Hyannis recently promoted Jeanne K. Davis from assistant vice president to assistant vice president and cashier. Ms. Davis joined the bank in 1974 as a bookkeeper-teller, and was elected to assistant vice president in January, 1981.

Promotion Told

Deborah Larson has been promoted from assistant cashier to cashier at the Stromsburg Bank. Ms. Larson has been employed at the bank since June of 1979.

Ms. Larson succeeds James A. Rosenquist, who resigned as executive vice president and cashier of the Stromsburg Bank to become vice president with the Wood & Huston Bank at Marshall, Mo. He had been with the Stromsburg Bank since 1962.

New President Named

Frank Hermelbracht, 55, has become the third generation of his family to serve as president of the First National Bank of Bancroft. Mr. Hermelbracht assumes the position left vacant by the recent death of his father, J. G. Hermelbracht. The elder Hermelbracht was bank president from 1957 until his death October 7. The deceased's father, John Hermelbracht, was bank president from 1917 to 1947.

Frank Hermelbracht, who has served on the First National Bank board of directors for 16 years, has farmed the Bancroft-Rosalie area most of his life.

Ex-Homer Banker Dies

Frank Robert Mares, 86, who founded the American State Bank, Homer, in 1954, died recently. Mr. Mares began his banking career at the Citizens State Bank of Dorchester. During the Depression, he started a bank in Niobrara, Neb., but later left Niobrara for health reasons and established the American State Bank. He sold the bank and retired in 1978.

Grant Bank is Sold

The Farmers National Bank of Grant has been sold by F. Willard Jackman, chairman, and his brother, Charles E. Jackman, executive vice president, to Dale Stine and his son, Greg, of Ord.

Willard and Charles Jackman have resigned those positions but will continue as directors and in active management of the bank during the coming year at the request of the Stines. Donald W. Sexson, president, also has resigned his position but will continue with the bank for some period of time. Willard Jackman's wife and his daughter, Georgia Gloy, and Cashier Craig Knotwell have resigned from the board. Dale and Greg Stine and Philip E. Jossi have been elected to the board of Farmers National.

Dale Stine has been named the chairman of the board at Farmers National and Mr. Jossi was elected president. He was president at the Bank of Brule.

The Jackman brothers and Mr. Sexson have been requested to remain active in management of the bank during the coming months. All remain on the board.

Stan Loeffler, ag rep for Farmers National, has been advanced to assistant vice president. Patricia Karre has been promoted from assistant cashier to cashier.

Farmers National was founded in 1915 by E.E. Jackman, cashier, and M.D. Keller, president. The two men helped construct the first bank building, mixing cement and carrying the brick and mortar to build the bank vault. The bank charter was changed in 1930 to a national bank. Mr. Keller sold his stock in 1935 to Mr. Jackman when he moved to Ogallala to purchase the Citizens Bank, now the First National Bank of Ogallala. E.E. Jackman became president at Grant.

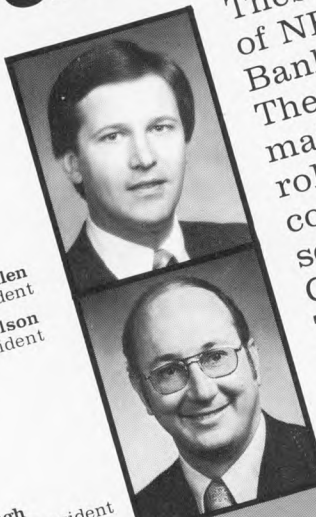
Willard Jackman, who had helped around the bank during his high school years, officially joined the bank in June, 1933. He was elected a director in 1935 when the Keller stock was acquired. His brothers Charles and the late Herb Jackman later joined the bank. Charles has been with the bank for 38 years. Mr. Sexson has been with Farmers National for 32 years.

Dale Stine has been well-known in Nebraska banking circles for many years. He is chairman of Nebraska State Bank in Ord and his son, Greg, is president of that \$25 million asset bank. In addition, they have interests in the Peoples Bank at Wolbach, Broken Bow State Bank and McDonald State Bank at North Platte. Dale Stine also has an interest in the Farmers State Bank at Burwell.

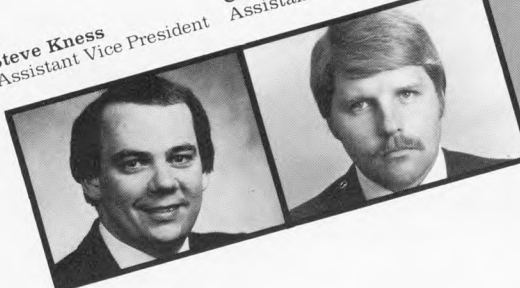
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Lincoln

The board of directors of First National Lincoln Corporation recently named **T. Michael McGregor** vice president and manager of the automated customer services division. **Clark Mattingly** was promoted to assistant vice president and auditor of First National Bank of Lincoln, succeeding Mr. McGregor.



T.M. MC GREGOR **C. MATTINGLY**

Mr. McGregor's career at First National Bank began in 1974 and includes extensive operations experience in all phases of banking. He was named auditor in 1977 and has been active in the Institute of Internal Auditors, EDP Auditors Association, and is past president of the American Institute of Banking, Lincoln Chapter. His new responsibilities will include managing the marketing, installation, and service of automated systems used by banks and businesses throughout the state.

Mr. Mattingly has been an EDP auditor with First National Banks since 1978. His new responsibilities will be managing the internal auditing function of the bank. Currently, he is vice president and board member of the EDP Auditors Association, Omaha chapter.

* * *

A. W. Griffin, retired executive vice president of the First National Bank, died recently in Port Angeles,

Wash., at the age of 77. He worked at banks in Newhawka and Elmwood before joining the old Continental State Bank in Lincoln. He joined Continental National's trust department in 1937, and in 1957 was elected executive vice president and a director of the bank. After it was merged with First National he was executive vice president. He served a short time as chairman of the State Investment Council. Mr. Griffin retired from the banking business in 1970.

He helped organize the Lincoln Chapter of AIB in 1933, served on its first board and became president of the chapter.

* * *

Karl E. Dickinson has been elected vice chairman of Gateway Bank and has been succeeded as president by **James F. Nissen**. **James Ackerman** continues as chairman of the bank.

Mr. Nissen, formerly president of National Bank of Commerce, where he had worked 28 years, resigned that post several months ago to join Nebraska Management, Inc., as president. Nebraska Management manages bank properties of **Paul Schorr III** and **Gene Tallman**, both of Lincoln. They own the holding companies for Citizens State Bank and Lincoln Bank East in Lincoln; First Westroads Bank in Omaha, and First National Bank and First State Bank, both in Fremont.

Mr. Nissen will have offices both at Gateway Bank and Nebraska Management to continue his supervision of all the banks.

Mr. Dickinson said "one of my main priorities will be getting new business for the bank."

Eugene W. Bortz has been elected cashier of First Security National Bank, which opened here November 1. His appointment was announced by **Robert W. Hasebroock**, president. Mr. Bortz has 22 years of financial experience. He was president of the Bank of Panama and worked for Union Bank & Trust Co. of Lincoln.

Joins Board of Trustees

Harold P. Stuckey, president of the Lexington State Bank and Trust Company, has been appointed to the board of trustees of the Colorado Graduate School of Banking. Mr. Stuckey is president of the Nebraska Bankers Association.

Columbus Bankers Retire

Harvey Loseke, senior vice president, and **Francis Haney**, assistant vice president, have retired from First National Bank and Trust Co. of Columbus. Mr. Loseke began working for the bank 46 years ago in the bookkeeping department. A recipient of the Service to Banking award from the Bankers Administration Institute, Mr. Loseke was promoted to vice president in 1956 and senior vice president in 1973.

Mr. Haney began working for First National Bank in 1962 after 22 years with the Coca-Cola Bottling Co. in Columbus. He was appointed a bank officer in 1972.

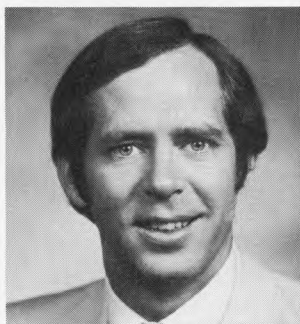
Elected in Doniphan

Robert Wenzl and **Gene E. Graves** of Grand Island were elected to the board of directors of the Bank of Doniphan according to **George H. Wanitschke**, bank president. Mr. Wenzl is president of T.F.S. Inc., a nationwide motor carrier, and I80 Trailmobile, a semi-trailer sales and service business. Mr. Graves is general manager of the Pump & Pantry division of Bosselman Inc., a director of Bosselman Inc., and owner of Crop Hail Company.

Named to Bank Board

Jerry L. Jares, vice president and cashier of the Fillmore County Bank, has been named to the board of directors of that institution. In charge of operations and personnel departments, Mr. Jares came to the bank in 1979 from St. Paul National Bank, St. Paul, Minn. He is a graduate of the University of Nebraska.

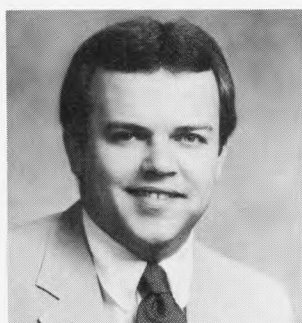
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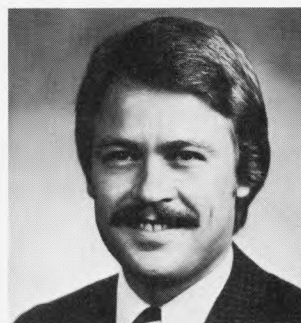
STEVEN L. ANDERSON
Vice President



MARK HAHN
Correspondent Bank Officer



KATHY M. VOTAW
Correspondent Bank Officer



MARVIN HEFTI
Correspondent Bank Officer



CURT DENKER
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CHARLES R. ELLIS
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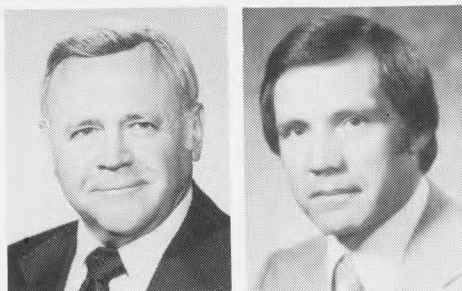
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Iowa

L.C. "Bud" Pike, pres., Grundy Center
N. Milner, exec. v.p., Des Moines



ITS EFT Meeting Is February 3-4

A SLATE of well-known industry leaders will address the first annual ITS EFT Conference on February 3 and 4 at the Marriott Hotel in Des Moines. The conference has been scheduled specifically to help those EFT participants (financial institutions with cards issued) and EFT non-participants (without cards issued). On the first day, February 3, attendees will be divided by those two groups for concurrent sessions consisting of identical topics, but with information geared to the current EFT status of each group.

Presentations the first day will include these:

- "Challenges of the 80s: Issues Facing the Community Banker"—Keynote address by O.J. Tomson, president, Citizens National Bank, Charles City.

- "Cost Analysis of EFT"—John Landgraf, Peat Marwick, Mitchell & Co.

- "ATM Placement"—Mitchell A. Christensen, senior operations officer, Iowa-Des Moines National Bank, Des Moines.

- "Glimpse of the Future"—Neil Milner, executive vice president, Iowa Bankers Association.

Presentations the second day include:

- "Productivity Improvement"—George Hickerson, E.J. Feeney & Associates, Reddingtown, Conn.

- "Beyond the ATM"—John Sikkink, executive vice president, Iowa-Des Moines National Bank, Des Moines.

- "The Future Role of the Federal Reserve in EFT"—Robert Fitzgerald, senior vice president, Federal Reserve Bank of Chicago.

- "Microcomputer Presentation"—Douglas Hillman, professor of accounting, Drake University, Des Moines.

In addition to meals and social events after-hours, the conference will feature an exhibit by major vendors in all fields of EFT service.

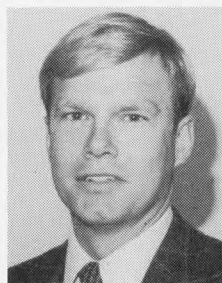
The registration fee is \$95 for ITS members participants and \$200 for ITS non-members or non-participants.

The conference dates replace the January 17-18 dates announced earlier, but changed to February 3-4 after a scheduling conflict was noted.

New V.P. at Elma Bank

Howard L. Poitevin, president of Peoples Savings Bank, Elma, has announced that Richard C. Buenneke recently joined the bank as assistant vice president of loans and operations. He is a graduate of Iowa Bankers School at Iowa State University and has completed the Iowa School of Banking at the University of Iowa.

Mr. Buenneke brings ten years of



R.C. BUENNEKE

experience in banking, insurance and real estate from the Maynard Savings Bank where he was a loan officer, real estate broker and insurance agent.

Mr. Buenneke has long been associated with Iowa bankers. His father and one of his uncles are both presidents of northeast Iowa banks, and he has another uncle who is a correspondent banker for the largest bank in the state of Iowa.

Harlan Banker Promoted

The board of directors of Harlan National Bank announced the promotion of Steve Ohlinger to assistant cashier. He began his career with the bank as a trainee in 1977. Mr. Ohlinger works extensively with the bank's new computer system as well as customer service and teller duties.

Two Join Bank Training Program

Max A. Smith, president, the Poweshiek County National Bank, announced that Jerald Sullivan and Daryl Petty have joined the bank as trainees for loan officer positions.

Mr. Sullivan has an M.S. degree in Agricultural Education from Montana State University and has taught vocational agriculture for two years.

Mr. Petty has an M.S. degree in Agricultural Economics from the University of Delaware. For the past four years he has been an extension economist with the Kansas State University Farm Management Association.

New Bank Facilities In Wall Lake



The Wall Lake Savings Bank recently move into its new building. In November an auction of the old furniture was held and the proceeds were given to the six local churches, Twilight Acres Nursing Home and the Wall Lake Library. The auction realized over \$7,000. The bank celebrated its 100th anniversary on December 10-11 and hosted over 1,000 guests. In conjunction with the anniversary, the bank announced that the old bank building had been purchased by the City of Wall Lake. It will be completely remodeled and house the Wall Lake Library. John Goodenow, bank president, made a personal contribution to the town for the library purchase.

Group 1 Meets Feb. 11-12 in Sioux City

BANKERS and their spouses from Group 1 in northwest Iowa, as well as visiting bankers from Nebraska and South Dakota will gather again at the Marina Inn in South Sioux City next month for the annual meeting of Group 1 of the Iowa Bankers Association. The meeting dates are February 11 and 12.

Presiding at the business sessions will be Group 1 Chairman Harold H. Harms, president, First State Bank, Brunsville, and senior vice president, LeMars Savings Bank. Group Secretary Bruce M. Kolbe, president, United Central Bank & Trust Company, is scheduled to advance

to the chairmanship, in keeping with the traditional policy of odd-numbered groups electing officers in odd-numbered years.

Following the same format as previous years, the Sioux City Bankers Association will host the Friday night reception, February 11. President of that group is Michael J. Moeller, president of Northwestern National Bank.

The guest speaker will be W.T. Maloan, senior vice president and director of education and training, Thunderbird Financial Corp., Shawnee, OK. The program follows:

Friday, February 11

P.M.

7:00 Registration desk open—Marina Inn.

8:00 -11:00 Social hour and hors d'oeuvres, courtesy of Sioux City Bankers Association.

Saturday, February 12

A.M.

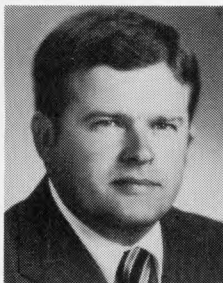
9:00 Registration—Marina Inn. Exhibits open.



H.H. HARMS



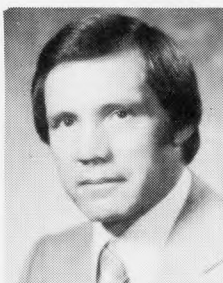
B.M. KOLBE



M.J. MOELLER



L.C. PIKE



N. MILNER



T.H. HUSTON

11:30 Ladies' Luncheon and style show—Marina Inn. Bus service available between the Hilton Inn and Marina Inn.

11:30 Delegates' Luncheon—Marina Inn.

Presiding—Howard Logan, chairman, Group 1.

Report of nominating committee and election of officers. IBA Activities—L.C. "Bud" Pike, president, Iowa Bankers Association, president, Farmers Savings Bank, Grundy Center.

Remarks—Neil Milner, executive vice president, Iowa Bankers Association.

Remarks—Thomas H. Huston, Iowa superintendent of banking, Des Moines.

Speaker—W.T. Maloan, Thunderbird Financial Corp., Shawnee, OK.

P.M.

2:30 Adjournment.

6:30 Social Hour.

7:30 Banquet. Entertainment—Mearl Lake Orchestra for your listening and dancing pleasure. □

Heads Farm Managers And Rural Appraisers

Jesse M. Dowell, Chicago, was elected recently as the 46th president of the American Society of Farm Managers and Rural Appraisers, a position held in 1946 by his father. Mr. Dowell is a vice president of Continental Bank, Chicago.

Carl F. Hertz, president of Hertz Farm Management of Nevada, Ia., was awarded the prestigious D. Howard Doane Award, the Society's highest honor, for his dedication and long service to the Society. He was the Society's president in 1959 and holds both of its professional designations.

Sioux City Bankers Elect New Officers

Michael J. Moeller, president of Northwestern National Bank in Sioux City, has been elected 1983 president of the Sioux City Bankers Association. He succeeds Leslie H. Olson of Toy National Bank.

The new vice president elected at the annual meeting last month is R. E. Hagen, president of Security National Bank.

Darlene Brennan of Northwestern National Bank will be secretary-treasurer.

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You get an entire department of Trust professionals to assist you in meeting your client's needs.

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You get the speed and efficiency of the Banks of Iowa computers, plus the most successful EFTS/Instant Access processor in the territory.

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**See you at the Group I meeting
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Andrew Bank Purchased

Tom C. Dunlap, chairman and president of South Story Bank & Trust in Slater, and Everett Sather, CPA, Ankeny, have purchased the Andrew Savings Bank from Lorna H. Wissink, chairman, concluding negotiations that had been under way for a number of months.

Andrew Savings Bank recently received permission to move its charter to Bellevue, also in Jackson County, and will retain an office in Andrew, as well as a previous office in LaMotte.

Mr. Dunlap will succeed Lorna Wissink as chairman. He said Richard L. Bayless, president, and all other officers will continue in their same positions.

UCB Appoints Two

The board of directors of United Central Bank & Trust Company of Estherville recently announced the appointment of Joseph R. Simmens to the position of vice president -commercial and real estate lending.

Mr. Simmens is a graduate of Iowa State University with a BA degree in economics and industrial administration. Prior to joining UCB, Mr. Simmens was employed by the State of Iowa, department of banking, as an examiner for four years. His most recent position was executive vice president, Farmers State Bank, Jesup.

The board also announced the promotion of Vaughn Brua to assistant vice president in charge of consumer loans. Mr. Brua has been on the UCB staff for 13 years and is a graduate of Mankato State University where he received his degree in Business Administration.

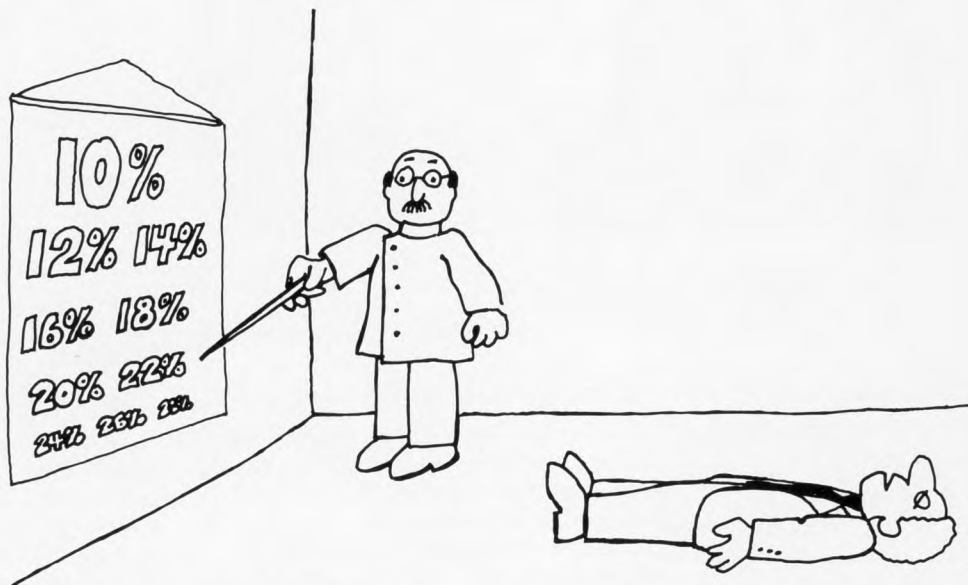
In other action taken Michael D. Miller, who joined the staff in 1982, was appointed internal auditor.

Winterset Banker Dies

Neil E. Kelley, age 85, passed away December 8, 1982. He was a 50-year banker who started his career in Altoona and later helped organize what is now the Farmers and Merchants State Bank in Winterset. He was president and a member of the board of directors until he retired in 1979.

He is survived by his wife, Ina; one daughter, Berneice of Winterset; and one son, Eugene of Jacksonville, Arkansas.

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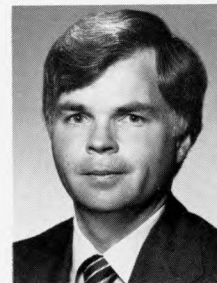
UCB Leasing Corporation is familiar with and experienced in meeting the needs of banks and their customers. We have the expertise to assure that your venture into

leasing gets started right. And, we will direct your full documentation in the critical areas of accounting, marketing and tax sheltering.

If you are concerned about your customers, your bank's shrinking loan portfolio and loss of market share, you need to investigate the leasing alternatives. NOW'S THE TIME to call (without obligation) Bill Ranes or Tim Mercer at (515) 245-7222 to find out how UCB Leasing can help you and your customers.



Bill Ranes



Tim Mercer



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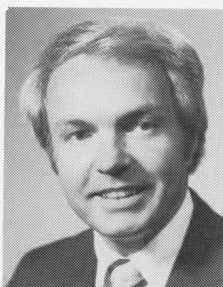
IBA Sponsors IRA Update



Left to Right—**Dave Driskell**, v.p., Ia. St. Sav. Bk., Creston; **Sherry Posusta**, pers. bkg. rep., Security Sav. Bk., Marshalltown, and **Ted Davis**, v.p., Clarke City St. Bk., Osceola, discuss seminar topics with **Collin Fritz** during recent IRA review seminar sponsored by Iowa Bankers Assn. The seminars were held in Des Moines, Iowa City, Storm Lake and Waterloo.

Chuck Gustaveson Joins Bank in Albuquerque, N.M.

Charles Gustaveson has been elected vice president of the First National Bank in Albuquerque, N.M., and manager of the bank's largest branch office. Mr. Gustaveson joined Hawkeye Bancorporation at First National Bank in Clinton in 1974. He was elected president and chief executive officer there in July, 1976, then in September, 1980, transferred to Des Moines to assume the same position with First Federal State Bank, which recently was re-named Hawkeye Bank-West. Prior to that he was widely known in midwest banking as regional manager of National Fidelity Life Ins., Co., headquartered in Des Moines.



C. GUSTAVESON

Heads Trust Division

Thomas K. Killion has been named chairman of Hawkeye Bancorporation's trust division. He was vice president and senior trust officer of First National Bank, Clinton, since 1977. He is a 1964 graduate of Drake University Law School.



Director Named in Adel

Wayne Geadelmann, president of Brenton Bank and Trust Company of Adel, announces the election of Jim Van Werden to the board of directors of Brenton Bank and Trust Company. Mr. Van Werden is the senior partner in the law firm of Van Werden and Hulse in Adel.

Mr. Geadelmann also announced

the promotion of Ken Hykes to senior vice president. He graduated from South Dakota State University in 1968 and started with Brenton Bank and Trust the same year. He transferred to the Dexter Office in 1969 and was promoted to manager of that office in 1971.

Brenton Promotions

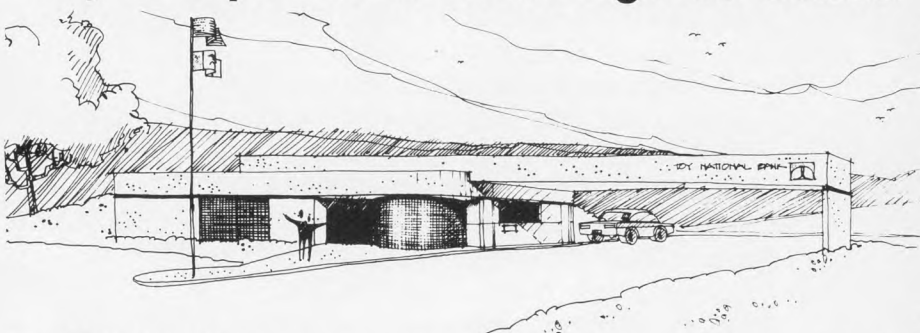
William H. Brenton, chairman of the board of directors of the Brenton State Bank in Dallas Center, announced these promotions: Bruce Seymour to president; Michele Blair to assistant vice president, and Doug Pullin to assistant cashier.

Mr. Seymour began his banking career in 1970 and is a graduate of University of Wisconsin Graduate School of Banking, the University of Nebraska Trust School and the University of Oklahoma Lending School.

Former bank president Roger Winterhof has been named vice president of loan administration for Brenton Banks, Inc. He will continue to serve on the board of directors of Dallas Center Bank.

Mr. Brenton also appointed Milt Heifner to office manager of the Woodward Brenton Bank.

Toy to Open New Morningside Office



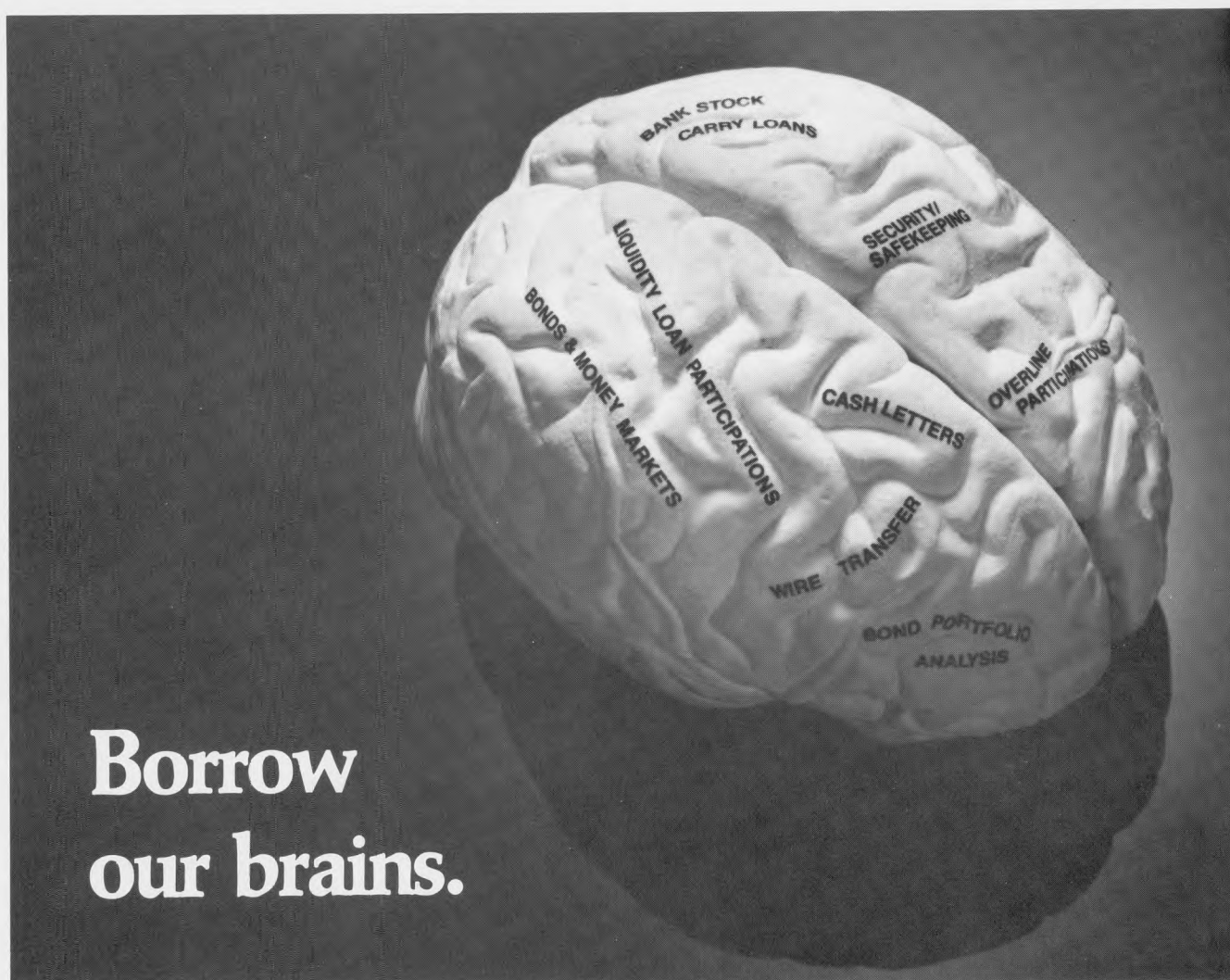
RESPONDING to customer demand, the Toy National Bank will open a full-service Morningside branch office in August, 1983. The new facility, which will be constructed at the Southern Hills Mall, will enable Toy customers in that area to have complete financial service. The facility will provide the convenience of lobby tellers, drive-up tellers, an automatic teller machine and customer conference areas for personal financial counseling.

In construction concept, the Morningside branch will be coordinated with Toy's downtown facility while maintaining a unique personality of its own. Like the main office, the 2700 square foot branch will be white with a black accent. A uni-

que architectural feature will be the glass block walls near the entrance which, while very attractive in the daylight, will have a crystal effect when backlit at night.

In recognition of the need for conservation, the new building will have a variety of energy-saving features. Special landscaping techniques will be used to take advantage of the earth's natural insulation. On two sides the ground will gently slope to cover more than half of the outer wall. The building will actually appear to be nestled into the hillside, thus preserving valuable energy.

Architects for the project are FEH Associates, Inc. General contractor for the building is Holst Construction.



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MNB Installs "Cash and Go"

The Merchants National Bank of Cedar Rapids has installed drive-up electronic banking facilities that make it possible for a customer to withdraw funds in 15 seconds — without the driver having to leave the car. The system, which Merchants calls "Cash and Go," was installed at three of the bank's branch offices. It is the first such installation in Iowa and possible in the entire Upper Midwest.

The "Cash and Go" units can be used only for withdrawals — which

represent 75 percent of the bank's electronic banking business, and although the units are located on bank property, the equipment is programmed to accept all electronic banking cards.

Red Oak Officer Named

The board of directors of The Montgomery County National Bank has announced that Donna Carlson has been elected an investment officer.

In her capacity as investment officer, Mrs. Carlson and Margaret

Lindquist will be working in the newly created investment center.

Mrs. Carlson has been with the Montgomery County National Bank since 1955

Mrs. Lindquist has been with the bank since 1961

Forest Lewis Resigns From Osceola Bank & Trust

Forest T. Lewis has resigned as executive vice president of Osceola Bank & Trust Co., where he had been employed since September, 1979.

Mr. Lewis began his banking career in 1933 at Terril State Bank. He left that bank as cashier in 1942 to serve in the Army Finance Department in World War II.



F.T. LEWIS

When he returned in 1946 he joined the Iowa State Bank in Des Moines. He was called back to Army service briefly during the Korean conflict and went back to Iowa State Bank as a vice president.

In 1965, Mr. Lewis joined Plaza State Bank in Des Moines six years after that bank was founded. He was advanced to executive vice president in January, 1966, and was given trust officer duties in January, 1969. He was elected president in March, 1975, serving in that post until his retirement from Plaza State in August, 1979.

Mr. Lewis had been a member of the American Institute of Banking, completing many of the AIB course offerings and serving actively in the Des Moines Chapter in many posts. In 1977, while he was president at Plaza State Bank, the Des Moines Chapter honored him as Banker of the Year.

Mr. and Mrs. Lewis will continue to live in Des Moines.

Luana Advancements Told

Recent promotions at the Luana Savings Bank include Dale A. Linderbaum to assistant vice president and commercial loan officer, Della L. Cowell to cashier and operations officer, and Janice K. Bruns to installment loan officer.

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Clyde McEntire, Jr., Dies

Clyde McEntire, Jr., 56, died December 4 after a five month illness with amyotrophic lateral sclerosis. Mr. McEntire was known to hundreds of bankers in Iowa and surrounding states in his years of service with Deluxe Check Printers, Inc. As



C. MC ENTIRE, JR.

zone manager, he headquartered in Des Moines, but he maintained his residence for many years at 1904 Knollwood Drive in Marshalltown, Ia. 50158.

Interment was held December 6 and a memorial service was held on December 8 in Marshalltown. He is survived by his wife, Barbara; a daughter, Kileen Rezac of Marshalltown; two sons, Robin of Philadelphia, and Brett at home.

Joins Clinton Bank

The board of directors of the Gateway State Bank appointed William R. Mungen an assistant vice president. For the past 30 years, Mr. Mungen has been employed by the Federal Deposit Insurance Corporation in various capacities. Most recently, he served as commercial review section chief at the FDIC's headquarters in Washington, D.C. His duties included reviewing and analyzing information contained in bank examination reports and evaluating data relating to banks applying for FDIC insurance.



W.R. MUNGEN

Mr. Mungen is a graduate of the Stonier Graduate School of Banking at Rutgers. He will assist both in the loan and operations area of the bank.

Waterloo Hosts NABW

The 1983 NABW State Conference will be held June 1-3 at the Conway Civic Center in Waterloo. Rooms will be available in the new adjacent hotel. The conference had previously been scheduled for May 18-20, 1983.

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We've also developed strong working relationships with many major insurance companies, making us an independent agency. It's our job to find the best product at the best price.

And, most importantly, we've cultivated a staff whose expertise in the fields of banking and insurance are unmatched by any other bank insurance agency in the country.

All Iowa banks own IBIS. Your bank is one of them. So why not give us a call today and compare?

You'll be surprised at how affordable the best coverage can be.



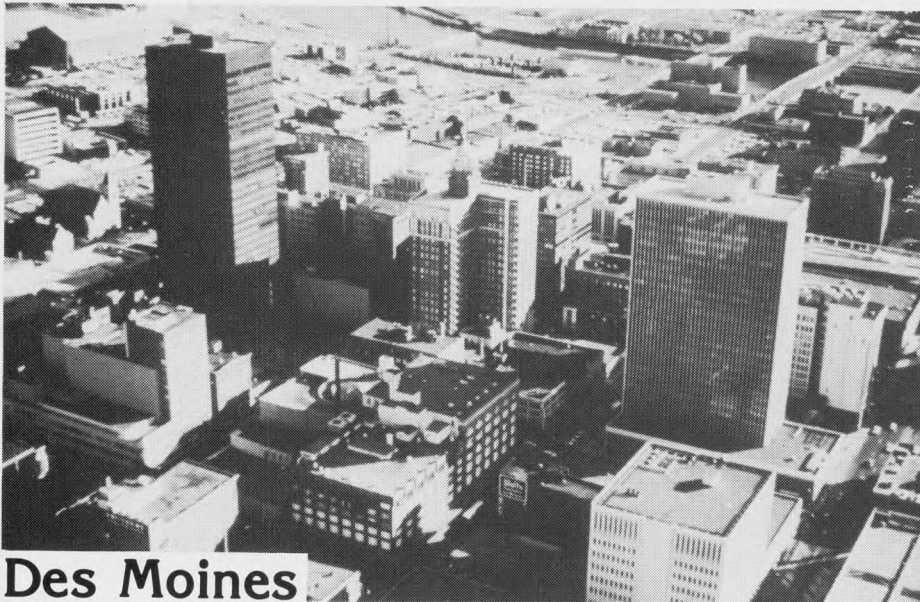
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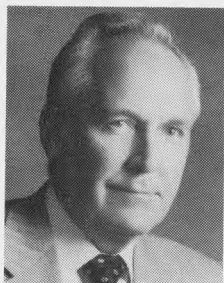
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Des Moines

IN DECEMBER the twelve United Central Banks, located throughout Iowa, began to offer brokerage services to their customers, according to **Kenneth M. Myers**, president and chief executive officer of the parent company, United Central Bancshares, Inc. Customers of these banks will now be able to direct the purchase and sale of stocks and bonds at commission rates substantially lower than traditional brokerage charges.



K.M. MYERS

In making the announcement, Mr. Myers stated this service is being offered as a result of the growing desire on the part of United Central Bank customers to handle all of their financial affairs with one financial institution. He added that the new brokerage service also reflects the disintegrating legal and customary boundaries separating commercial banks from other financially oriented institutions.

This new service is designed for investors who make their own investment decisions and do not require research and advice from a brokerage firm. According to Mr. Myers, market studies indicate that the trend for independent investment decision making has never been more prevalent than today, and the trend continues to grow. United Central Banks will not provide any investment advice and will only buy or sell securities at the direction of

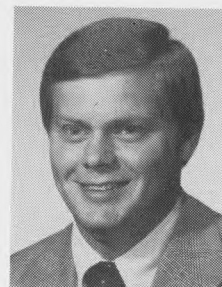
the investor. The savings resulting from not providing research, information and advice is passed along to the investor in the form of lower commission rates.

Individuals, corporations, partnerships, joint accounts of all types and custodians are eligible to establish a brokerage service account at any of the banks. Mr. Myers also pointed out that in order to open the brokerage account, the investor will be required to have a deposit account at the bank.

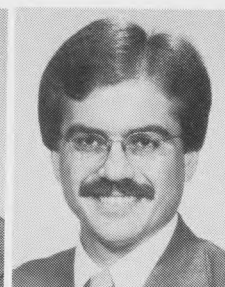
One of the most innovative features of the brokerage account is that excess cash, which might occur for a short time after an investor sells securities, can immediately begin earning money market rates of interest on an FDIC insured account. This is made possible by automatically transferring available cash in the brokerage services account to the new United Central Bank Insured Money Market Account. Mr. Myers emphasized that, unlike most other high interest accounts, the Insured Money Market Account allows investors instant access to their money for additional stock or bond purchases, for other types of investment opportunities, or for immediate expenditures for consumer items.

* * *

Eugene G. Precht, chairman and chief executive officer of the Iowa-Des Moines National Bank, recently announced the following personnel actions following the December meeting of the bank's board of directors:



G. FRANDSON

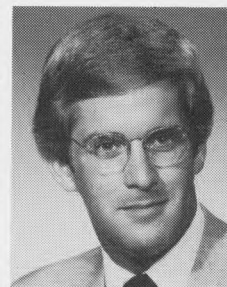


J.P. RIGLER

Garry R. Frandson has been named vice president, financial institutions. He joined the Iowa-Des Moines in 1975 as a management trainee and has held positions in the dealer loan and credit departments as well as the retail banking division of the bank. He was named correspondent banking officer in June, 1979, and was promoted to second vice president, Iowa banking, in July, 1981. He is a graduate of the University of Iowa.

John P. Rigler has been named vice president, investment services, and will be assuming the position of sales manager for the investment services department. He joined the bank in 1976 as a management trainee and held positions in the credit department and retail banking division of the bank. He was named correspondent banking officer in January, 1979, and was named second vice president, Iowa banking, in February, 1981. He was subsequently promoted to second vice president, investment services, last March. Mr. Rigler received his MBA degree from the University of Iowa.

Thomas J. Naughton has joined the domestic banking division as a commercial banking officer. He joined the Iowa-Des Moines in 1977 as a management trainee and



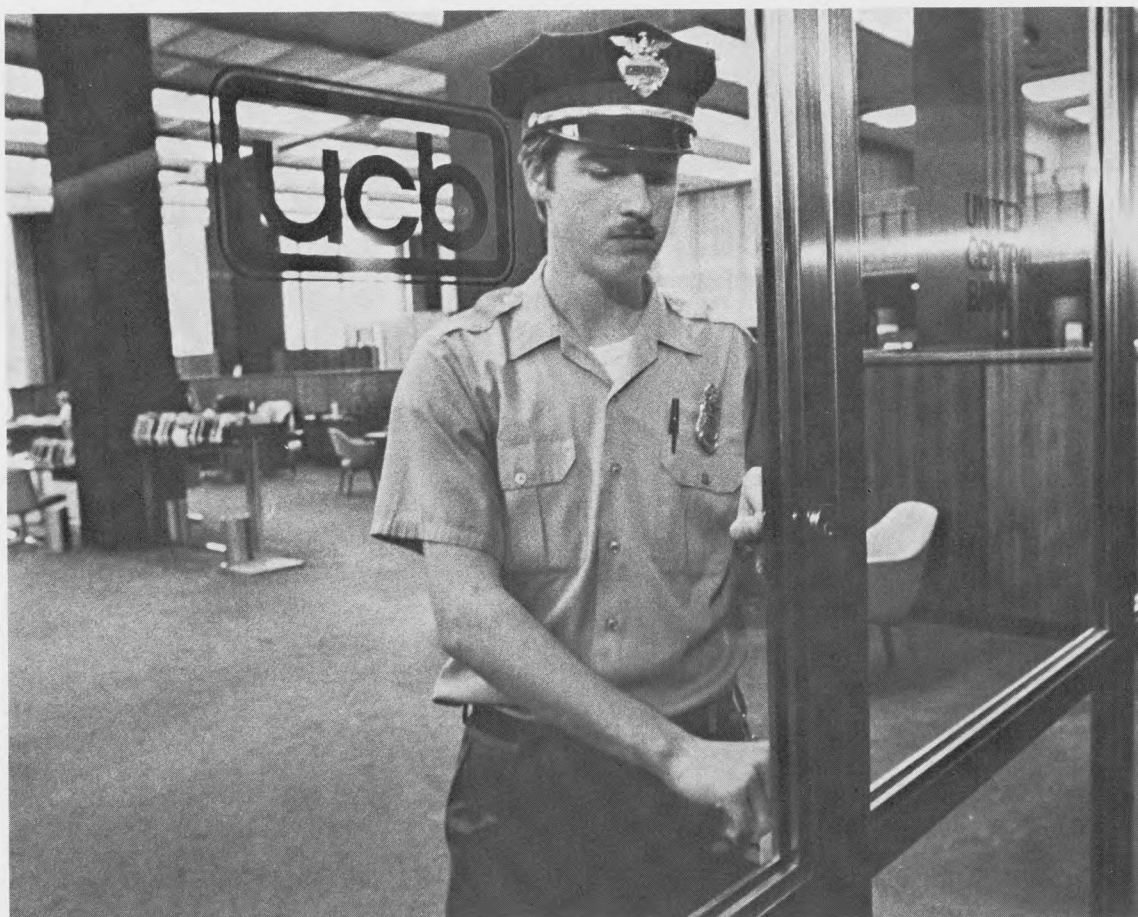
T.J. NAUGHTON

was subsequently named bond representative in the investment department in June, 1978. He was promoted to bond investment officer in February, 1979, and to international banking officer in July, 1980. He is a 1977 graduate of the University of Denver.

* * *

Robert G. Millen, president and chief executive officer of United

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Des Moines Hospital Installs ATM



Jane Seibel of Des Moines General Hospital, cuts the ribbon to the hospital's new Automatic Teller Machine. The ribbon is held by David Walthall (left), president of Hawkeye-Capital Bank & Trust and Terry Lane (right), assistant director of finance for the hospital. Mark Rathbun of Hawkeye-Capital looks on. With the addition of the ATM, hospital employees and visitors will have access to their personal accounts 24 hours a day, 7 days a week for most normal banking transactions. The ATM is owned by Hawkeye-Capital and is accessible to anyone carrying a debit card from their own bank.

Central Bank of Des Moines, announced that Dan McGowan has joined the bank as vice president in metro commercial services division.

Mr. McGowan was president and chief executive officer of Industrial Supplies, Inc. of Des Moines. Prior to that position, he was vice president and manager of retail banking at Capital City Bank (now known as Hawkeye Capital Bank and Trust).

* * *

Kenneth M. Myers, president of United Central Bancshares, Inc., and John J. McLaughlin, chairman of the board, Plaza State Bank, Urbandale, jointly announced that management of the two companies have agreed in principle on the terms of a tender offer whereby UCB will offer to exchange shares of its common stock for all of the outstanding shares of common stock of Plaza State Bank.

Plaza State Bank has four banking offices. Its assets exceeded \$90 million on September 30, 1982.

Mr. McLaughlin stated that "our board of directors is looking forward to the affiliation with United Central Bancshares which will give us the additional benefit of its strong capital position and the ability to offer additional financial services to our customers, including new banking products and mortgage banking and leasing services, while remaining an Iowa-owned and locally managed institution."

United Central Bank of Des Moines, N.A., is opening 10 new ATMs this month in Hy-Vee Food

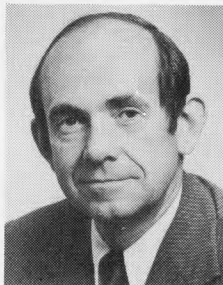
Stores here. Eight are in Des Moines, one is in West Des Moines and one is in suburban Pleasant Hill. UCB also has an ATM at Mercy Hospital and six ATMs in its main bank and offices, giving the bank a new total of 17 ATMs.

* * *

William D. Bunten, who resigned as executive vice president of United Central Bancshares, Inc., November 1, became president and chief operations officer of First National Bank of Wichita, Kan., December 1.

Mr. Bunten, 50, joined United Central Bank of Des Moines in April, 1947, as senior executive vice president, chief operating officer and director, as well as senior vice president for asset/liability management of UCB holding company. In August, 1981, he resigned his bank position to work full-time in the holding company. He was then advanced to executive vice president for asset/liability administration and loan administration.

Mr. Bunten graduated from Baker University in Baldwin, Kan., in 1953, received his law degree from Washburn University in Topeka in 1956, and an MBA from the University of Pennsylvania in 1958. He began his banking career with The National Bank of Detroit, working there 10 years. In 1967 he resigned



W.D. BUNTEN

as vice president to join the Merchants National Bank of Topeka, where he became president. He left that post to move to Des Moines.

4 Promoted at Mason City

The board of directors of the First National Bank of Mason City announced the election of Daniel L. Brady, vice president; Robert Sleep, vice president-administration; J. Robert Umbarger, controller; and Donald G. Friest, assistant vice president.

Mr. Brady began his banking career with the Commercial Trust and Savings Bank, Charles City, in 1971. In 1979, he was elected agricultural loan officer at the First National Bank, and was promoted to assistant vice president in 1980.

Mr. Sleep started his banking career with the Citizens Savings Bank, Anamosa, in 1969. He also worked for Merchants National Bank Computer Services, Cedar Rapids, and City National Bank of Cedar Rapids, where he was a cashier. In 1980, Mr. Sleep was elected correspondent banking officer of the First National Bank, and was promoted to assistant vice president in 1981.

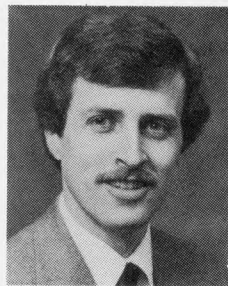
Mr. Umbarger, 51, is a graduate of NABAC School for Bank Audit Control and Operation at the University of Wisconsin. He began his banking career with the First National Bank of Mason City in 1958.

Mr. Friest, 44, was born in Britt, Iowa. He began his banking career with the First National Bank, and will continue his duties in the operations area while also serving as secretary to the board of directors of the bank.

Joins Denison Bank

David Olson has joined the First Northwestern National Bank of Denison as vice president. Mr. Olson formerly was assistant vice president at First Northwestern Bank of Red Wing, Minn., where he managed their agricultural lending and human resources departments.

Mr. Olson received his B.A. degree in accounting from Luther College and joined Banco in 1977.



D. OLSON



PICTURED at a press conference in conjunction with their appearance at the Iowa-Des Moines National Bank's 1983 Business Trends Conference were these participants, from left to right: Seated—Gary M. Wenglowksi, sr. econ. & partner, Goldman Sachs & Co., New York; E.E. Bud Precht, chmn. & c.e.o., and George F. Milligan, pres. & chief oper. off., both with the host bank, and Jack MacAllister, pres., Northwestern Bell, Omaha. Standing—John F. Anderson, pres., Farmland Industries, Kansas City; Edward J. Crane, pres. & c.e.o., Ozark Airlines, St. Louis, and Ted Townsend, pres., Townsend Engineering, Des Moines.

At Iowa-Des Moines Business Trends Conference—

Speakers See Hopeful Signs for '83

A STRONGER than expected recovery is seen for 1983 by Gary M. Wenglowksi, senior economist and partner in Goldman Sachs and Company, New York, according to his economic outlook presented to 600 businessmen and bankers last month at the Iowa-Des Moines National Bank's 1983 Business Trends conference.

After citing a number of factors affecting the economy both domestically and internationally, and the options available for 1983, Mr. Wenglowski said, "My analysis is that more recovery is more likely. There are two alternatives: 1. An aborted recovery or, 2. One stronger than expected. This recovery will be weaker than other post WWII recoveries, but three things suggest this higher recovery prediction.

"First, recent changes in Federal Reserve Board policy. It is clear they indicate a major change in Fed policy objectives. Its objective from October, 1979, to July, 1982, was to keep the money supply growth at a fixed level. Since July its objective has been to sustain an economic recovery. So, I expect it will support lower interest rates and more credit expansion. The rise in the stock market since July has increased holdings of consumers by \$250 billion. Consumers also have more liquid holdings. We expect a 1.5 million start rate in housing—up from '82.

All this means the Fed has shifted to a moderately stimulative position. Chairman Volcker still preaches the fight against inflation and needs to do so.

"Second, The Federal budget. Its impact on the economy depends also on Fed monetary policy. The past few years we've been driving a car with the accelerator to the floor (budget and spending) but the brake on (Fed conservative policy). Now, we have the former, and the Fed has released the brake. I believe the major reason for developing countries going bankrupt and our firms going bankrupt has been the tight money policy of the Fed.

"Third, the consumer is trying to pick up spending. Consumers are starting to buy more now, and are starting to buy more on time. Also, wage increases have been running higher than inflation so workers have more to spend. Consumers usually pick up their spending while unemployment is still reaching its peak. The economy will hit bottom in one of the winter months; the recovery the rest of 1983 will be moderately stronger than what most people are now expecting. You can expect the Fed to lower interest rates more.

"We believe profits will respond very strongly to any recovery—up about 33% over 1982. You could see 90-day CD rates and commercial

paper as low as 7% in this cycle. Long-term government bonds could go as low as 10-10¼, with upward pressure contained. Overall, I see 100-150 basis points less, or at the same level as present on short-term; long-term about the same to 50 basis points less.

"The key to the '84-'85 economy is eliminating the structural deficit; i.e., the part that wouldn't be melted away by recovery. Today, I estimate a \$60-\$70 billion structured deficit and \$105-\$110 non-structured deficit.

"Inflation no longer inflates revenues, but it continues to inflate entitlements. The deficits of '84-'85 could impact '83 if people see no correction coming in the structural deficit."

Morning Speakers

The Business Trends conference began, as usual, with speakers who geared their remarks to their Iowa business and how the economy will affect that Iowa business in 1983. Guests were welcomed by Eugene G. "Bud" Precht, chairman and chief executive officer of the Iowa-Des Moines National Bank, and he also presided at the noon luncheon. Introducing the four morning speakers was George F. Milligan, president and chief operating officer of the bank.

Those four speakers were: John F. Anderson, president, Farmland Industries, Kansas City, Mo.; Ted Townsend, president, Townsend Engineering, Des Moines; Edward J. Crane, president and chief executive officer, Ozark Airlines, Inc., St. Louis, Mo., and Jack MacAllister, chairman, Northwestern Bell Telephone Co., Omaha.

Mr. Anderson said economic conditions in developing countries today affect the total Iowa business climate. Iowa's best bet, he said, is for exports to improve the rural economy. However, that is not happening because international recession is precluding developing nations from buying our farm products, while U.S. production is at a record high. As a result, he said, prices domestically will remain relatively flat; consequently, farm income will be low for the third consecutive year.

He sees production expenses increasing by 4.5%, down considerably from the 8-12% increases of recent years. Falling farm land

values are deteriorating the equity in farms. "We need to get on a strong, demand-oriented program," Mr. Anderson said. "We need production controls. We have to come up with a farm policy that will be understood by all. There's no such thing as free trade. We are competing with subsidized prices all over the world. There's only five cents worth of wheat in a dollar loaf of bread!"

"The short-term outlook for the U.S. economy remains substantially weak. There will be slow growth in Iowa's ag volume. I do think the prospects for a turnaround look better today than they've looked for a long time. The feed business is good. The fertilizer business is going to get better. The world needs what American farmers produce. We think our exports will grow."

"The total U.S. farm sector is stronger now after having undergone a rigorous slenderizing that's worked toward optimum efficiency. We've proved we can survive—most of us—a brutal, economic storm. Now, today, there's a new confidence in American agriculture...we are strong...we can endure."

Mr. Townsend gave a personal review of the philosophy under which

his company operates without a union—including employees in the company as "part of the family" that makes them feel they are working together. This philosophy has made Townsend unique and has built an exceptional record of growth, profits and company loyalty known nationwide.

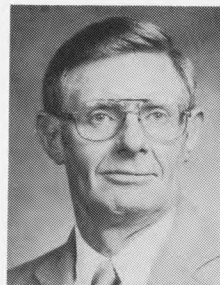
Mr. Crane reviewed the impact of deregulation on the airline industry and the crucial marketing, sales and purchasing decisions that resulted from that decree. In the process, some Iowa locations were removed from Ozark service, while others have been added. He said Ozark was profitable in 1981, earning \$17.1 million. By comparison, Ozark earned \$8 million in the first three quarters of 1982. He said Ozark intends to "add destinations, and Iowa service will increase. We will promote markets, and Iowa passengers will benefit."

Mr. MacAllister reviewed quickly the Justice Department settlement that the Federal court approved to end an eight-year anti-trust suit. He then described in broad detail how Northwestern Bell and other Bell companies will be organized into independent operating companies, unrelated to AT&T. Computers, home

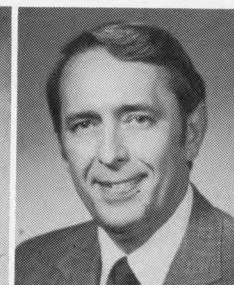
banking services, and a wide array of new types of communications geared to telephone lines will soon be offered, he said. □

Elected in Council Bluffs

First National Bank's board of directors announced the election of Willard J. Lenners, vice president and manager of the commercial lending department and Thomas D. Johns, vice president of the real estate department.



W. LENNERS



T.D. JOHNS

Willard Lenners attended Midland College and is a graduate of the Commercial Lending School, Midwest Banking School and the National Advanced Agricultural Lending School. Mr. Lenners was with Bank West in Pierre for twelve years prior to coming to First National.

Thomas Johns attended Chadron State College and was regional manager for American Charter Federal Savings and Loan Association before joining the bank.

INDEX OF ADVERTISERS

JANUARY 1983

Acorn Printing	8
American National Bank & Trust, St. Paul	27
Bankers Trust Co., Des Moines	50
Central Bank of Denver	40-41
Continental Bank, Chicago	3
First National Bank, Lincoln	49
First National Bank, Minneapolis	34-35
First National Bank, Omaha	45
First National Bank, St. Paul	30-31
First National Bank, Sioux City	53
Gross, Kirk Co., Waterloo	67
Iowa Bankers Insurance & Services, Inc.	61
Iowa-Des Moines National Bank	68
Kooker, E.F. & Associates	56
Merchants National Bank, Cedar Rapids	2
Midland National Bank, Minneapolis	24
National Bank of Commerce, Lincoln	47
Northwestern National Bank, Minneapolis	10
Northwestern National Bank, Sioux City	58
Office Concepts, Waterloo	66
Security National Bank, Sioux City	54
UCB Leasing Corporation, Des Moines	55
United Central Bank, N.A., Des Moines	63
U.S. Checkbook Company, Omaha	52
United States National Bank, Omaha	42
Valley National Bank, Des Moines	60

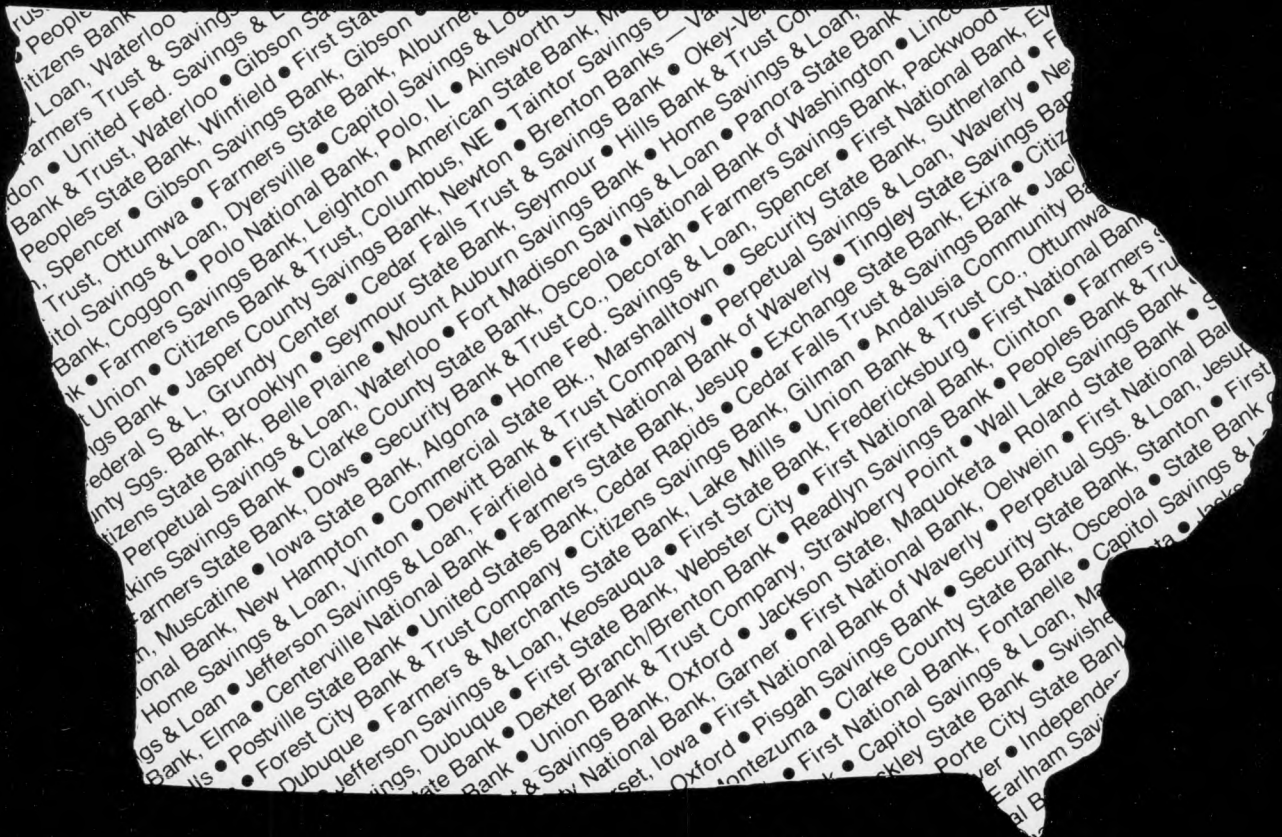
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