# NORTHWESTERN STERN SOURCE NOVEMBER 1984

ABA Elects 1984-85 Officers



New Farm Program Reviewed

Nebraska Independents Elect Officers



Asset/Liability Management —third of 5-part series



### Dick, Lynn or Doug could help make 1984 a better year for your bank.

Merchants National Bank would like to introduce you to three of its newest correspondent bankers. Any one of them could help your bank prosper in '84 by helping you offer your customers a wider range of services.

Dick Retz has broad experience in agricultural financing. A graduate of Iowa State University with a degree in Farm Operation, he's been a dairy farmer, raised hogs and crops and has several year's experience in ag lending, farm management and decision counseling.

Operational services is Lynn Whiteman's specialty. She is ready to assist you with federal fund investments, cash management techniques, check-clearing services and operational innovations. Lynn, a capable commercial credit analyst, will be happy to explain how our computerized

analysis programs can increase your bank's profitability.

Doug Keiper was born and raised on his family's dairy farm in Atkins, lowa. And, although he's been in banking for the past 15 years, he's still got one foot on the farm. In addition to being an MNB correspondent banker, he also farms 160 acres in Benton County which gives him a keener understanding of your customers' needs in the area of agricultural financing.

At MNB, we're dedicated to bringing together the personnel, resources and services you want in a correspondent bank. That's MNB's commitment to productivity. And we're ready to put it to work for you. To discover how MNB can help your bank grow in 1984, cal \$\infty\$ 319/398-4320 or toll-free, 1-800-332-5991.

# Loan officers: Follow this logic to the only loan origination & document printing micro software you would have written yourself.

Wouldn't you design software that insisted that your loan policies be enforced? A software program that is so effective that it's like having your loan committee watch over every loan as it's being prepared.

Naturally you'd want a Loan Origination and Document Printing program that made all the computations you need to make... and made them quickly. One that prints out all of your loan processing forms and allows you to keep track of each loan at every stage during the loan process.

You'd also want a Loan Origination program that followed the systems that your loan department uses. One that uses your terms, your terminology, lets you define your loans the way you do right now. That way your operators would feel comfortable with what they do and see. They'd feel at home... because they would be at home.

You'd write a software system that not only enforces your loan policies and enforces your loan printing guidelines, but also guides the operator through the process. Actually tells the operator when something is incomplete or not done correctly.

You'd need a system that also "sets up" the correct screens that need to be worked on depending on the loan type chosen.

You'd want a Loan Origination system that works with you...not you with it. One that fits you, your department, your bank.

Naturally you'd also build in the ability to change ... without the need for expensive programming. You'd like to be able to change your system quickly and easily ... in your office ... to fit changes that you might want—in procedures, terminology, in marketing directions, or because of regulations or competitive situations.

Naturally, your Loan Origination program would be that flexible. In fact, it would be so flexible, so changeable, so creative *that you could create your own screens*...easily, quickly and completely.

Wouldn't you insist on flexibility that allows your people to be able to create your own screens?

And of course, you'd want to have all the newest ideas, the newest innovations, the latest improvements all automatically delivered to you—all the latest enhancements to meet changes in the banking regulations... even before you knew they were available or even needed.

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OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES

#### ON THE COVER

In top photo, new officers of the American Bankers Association for 1983-84 are pictured by the Northwestern Banker camera atop the New York Hilton Hotel with the New York City midtown Manhattan skyline behind them. From left are: Immed. Past Pres.—C. Robert Brenton; Pres.—James G. Cairns, Jr.; Treas.—Harry R. Mitiguy; Pres. Elect - Donald T. Senterfitt, and Exec. V.P. - Willis W. Alexander. Convention report with pictures begins on page 21. Center photo shows Alan R. Tubbs (left), pres., First Central State Bank, DeWitt, Ia., with Frank Naylor, Under Secretary of Agriculture, when Mr. Naylor came to Des Moines for a special meeting with lowa farm bankers that was not open to the press. Mr. Naylor reviewed the Administration's new farm assistance program, announced and reviewed in earlier issues, giving much greater detail than was available before. He was joined in the day-long conference by Federal Land Bank and other government and regulatory officials for the closed meeting.

In lower photo are 1984-85 officers of the Nebraska Independent Bankers Association. Left to right, they are: Treas.—Tom Grove; Immed. Past Pres.—Bonnie Peterson; V.P.—Fred Otten; Pres.—Mark Buckley; Secy.—Phil Giltner; 2nd V.P. Roy Yaley, and Exec. Dir. - Kurt Yost. Exclusive story and photos are on page 60.

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#### **NORTHWESTERN BANKER**

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#### **Continental Stockholders OK Financial Aid Plan**

Stockholders of Continental Illinois Corporation, Chicago, approved on September 26 the financial assistance and restructuring plan and nounced in July by Continental, the Federal Deposit Insurance Corporation and other bank regulators, with 71 per cent of the shares outstanding being voted in favor of the plan. Of the shares voted at the meeting, 98 per cent were voted in favor of the plan and 2 per cent against.

More than 30,978,000 shares, or 76 percent of the 40.3 million out standing shares of common stock, were voted at the special meeting of stockholders. A favorable vote of a majority of all shares of outstanding Continental Illinois Corporation common stock was required for adoption.

John E. Swearingen, chairman of Continental Illinois Corporation told stockholders that the plan will provide additional permanent capital and other financial assistance to Continental Illinois National Bank and Trust Company of Chicago, the principal subsidiary of the corpora-

"Our challenge going forward is to reestablish a strong, viable and credible financial institution than can make a significant contribution to the growth and well-being of Chicago, our home state of Illinois, the Midwest and the nation," said William S. Ogden, chairman of Contin nental Bank. "Our first task is to reestablish and strengthen our credibility in the marketplace. I believe that process has already started, but it will take time."

Mr. Ogden said that Continental must withdraw from activities "that do not appear to be essential to our long-range objectives." He said that this may mean closing some add tional domestic and international offices and reducing non-interest expenses, including reduction of staff.

In commenting on the third quarter, Mr. Ogden said that after the \$ billion injection of new capital, the corporation's equity to total assets ratio will be about 5.5 per cent and the primary capital ratio will be about 6.5 per cent.

"After the sale of approximately \$3 billion of loans to the FDIC, our total loans will be about \$26 billion - about 17 per cent less than 1983 year-end," he said.



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Deluxe explains the difference between a printer and a partner.

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#### **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**

Nov. 27-30—BAI Money Transfer Conference, Hyatt Regency, Chicago, III.
Dec. 9-12—BAI ATM/7 + Conference, Sher-

aton, New Orleans, La.

1985

Feb. 3-6—BAI Productivity Conference, Westin Bonaventure, Los Angeles.

Feb. 24-27—BAI Bank Security Conference, Adam's Mark, Houston, Tex.

Mar. 10-14—ABA Community Bank CEO Executive Development Program, Amfac Hotel, Minneapolis.

Mar. 26-29—BAI Check Processing Conference, Dearborn, Mich.

Apr. 14-18—BAI Bank Audit Conference, Sheraton, Washington, D.C.

Apr. 30-May 3—BAI Accounting & Finance Conference, Hyatt Regency, San Francisco

May 13-17—BAI Bank Tax Conference,

Hyatt Regency, Washington, D.C.

May 26-31—BMA Essentials of Bank Marketing School, University of Colorado, Boulder.

May 26-31—BMA School of Trust and Personal Financial Services Sales & Marketing, University of Colorado, Boulder.

May 26-June 7—BMA School of Bank Marketing, University of Colorado, Boulder. June 2-5—BAI Trust/Financial Products

Conference, Inter-Continental, Boston. June 23-28—BMA School of Banking Marketing Colloquium, University of Colorado, Boulder.

July 17-12—ABA National Agricultural Bank Management School, Iowa State University, Ames.

Oct. 19-23—ABA Annual Convention, New Orleans.

Nov. 10-13—BMA 70th Annual Convention, Sheraton-Waikiki, Honolulu, Hawaii.

#### State Conventions & Schools Colorado:

#### 1985

June 5-8—CBA Annual Convention, Broadmoor Hotel, Colorado Springs.

#### Illinois:

Nov. 28-29—IBA Annual Meeting and Bank Management Conference, St. Louis Marriott.

#### 1985

Feb. 6—IBA Asset/Liability Management Conference, Holiday Inn East, Springfield. Feb. 7—IBA Asset/Liability Management Conference, Drake Hotel, Oakbrook.

Feb. 20-21—IBA Commercial Credit Conference, Holiday Inn East, Springfield.

#### lowa:

#### 1985

Feb. 12-14—EFT Conference, Des Moines. Feb. 24-Mar. 2—IBA Commercial Lending School, Iowa State University, Ames.

Feb. 27-Mar. 1—IBA Mid-Winter Management Conference, Keystone, Colorado.

Mar. 3-5—IBA Marketing Conference. Des

Mar. 3-5—IBA Marketing Conference, Des Moines.

Mar. 20—IBA Ag Credit Conference, Ames. Apr. 13-17—IBA Washington D.C. Trip. May 20-21—Iowa Young Bankers Con-

ference, Des Moines. Sept. 22-24—IBA 99th Annual Convention, Des Moines.

#### Minnesota:

Dec. 5-6—MBA Advanced Security Workshop, Sheraton Midway, St. Paul.

#### 1985

Mar. 10-14—MBA/ABA Community Bank Executive Development Program, Hyatt Regency, Minneapolis.

May 7-10—MBA Washington Legislative Conference, Washington, D.C.

June 10-12—MBA Annual Convention, Amfac Hotel, Minneapolis.

#### Montana:

#### 1985

June 25-28—MBA Annual Convention, Sun Valley, Idaho.

#### Nebraska:

Nov. 20-21—NBA Bank Management Conference, Kearney Holiday Inn.

Nov. 20—NBA Legislative Dinner, Kearney Holiday Inn.

#### 198

Jan. 15-16—NBA Lending Conference, Kearney Holiday Inn.

Feb. 12-13—NBA Personnel Conference, Kearney Ramada Inn.

Feb. 20-24—NBA Bank President's Conference, Rancho Bernardo Resort, San Diego, Calif.

Mar. 20-21—NBA Ag Outlook Conference Kearney Holiday Inn.

May 8-10—NBA 80th Annual Convention, Lincoln Cornhusker.

#### North Dakota:

#### 1985

Jan. 28-29—NDBA Chief Executive Officer Conference, Kirkwood Motor Inn, Bismarck.

Jan. 29-30—NDBA Bank Management Conference/Legislative Reception-Dinner, Kirkwood Motor Inn, Bismarck.

Feb. 20-22—Bank of North Dakota Mid-Winter Break, Bismarck.

Apr. 8-10—NDBA Washington Legislative Visit, Hyatt, Regency on Capitol Hill.

Apr. 24-26—NABW State Convention, Minot.
May 19-24—NDBA North Dakota School of
Banking, University of North Dakota,
Grand Forks.

June 10-11—NDBA Annual Convention, Holiday Inn, Bismarck.

#### South Dakota:

#### 1985

Jan. 30—SDBA Legislative Reception and Dinner, Kings Inn, Pierre.

Apr. 3-4—SDBA Ag Credit Conference, Kings Inn, Pierre.

Apr. 8-11—SDBA/NDBA Annual Washing

ton D.C. Legislative Trip.

May 12-14—SDBA Annual Convention, Rushmore Plaza Civic Center, Rapid City.

#### Wisconsin:

#### 1985

June 16-19—WBA Annual Convention, Hyatt Regency, Milwaukee.

#### Wyoming:

Dec. 4—WBA Loan Documentation Seminar, Casper.

1985

June 16-19—WBA Annual Convention, Jackson Lake Lodge, Moran.

#### **Deluxe Reports Gains**

Deluxe Check Printers, Incorporated, St. Paul, Minn., reports that sales for the first nine months of 1984 reached \$504,984,525, up 9.1% from \$462,928,042 a year ago. Net earnings for the period were \$63,620,773 or \$2.89 per share, up 14.2% from last year's \$55,694,910 or \$2.44 per share.

Sales for the third quarter were \$174,764,787, up 13.1% from \$154,534,626 last year, while net earnings were \$23,656,296 or \$1.08 per share, up 18.3% compared to \$20,003,145 or 88¢ per share a year

ago, according to Eugene R. Olson, chairman and chief executive officer.

#### John E. MacArthur Joins Douglas Austin Firm

John E. MacArthur has joined Douglas Austin & Associates, Inc. of Toledo, Ohio as consultant and will be affiliated with its Chicago office located at Forty East Delaware Place, Suite 702, Chicago, IL 60611, Tel: (312) 664-5946. He will primarily be responsible for business development and client services in Illinois, Indiana and Kentucky.

Mr. MacArthur, formerly a vice

president in the correspondent banking division at LaSalle National Bank in Chicago, has 25 years experience in such specialized areas as direct lending, holding company formation and operation, merger and acquisition financing and financial marketing.

Douglas Austin & Associates, Inc., with offices also in Toledo, Lansing and Washington, is a consulting corporation for financial institutions. Through its 17 years of consulting experience, the firm has assisted numerous financial institutions of all types and sizes with unusual problems and opportunities.

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- oround out the capabilities of this group.

  Through these acquisitions, Transamerica has become one of the top providers of:
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  - Innovative Tracking Systems
  - Lender-Related Tax Services
  - Professional Resources and Risk
     Management
- Management

Now, the pyramid is working for lending institutions across the nation...the bold new landmark on the financial skyline.

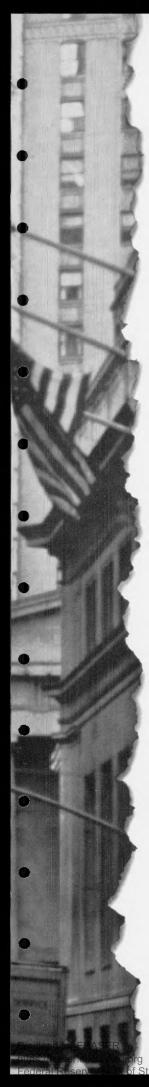
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Innovation is a key strength of our Capital Markets Group. Our more than 30 specialists work closely with lenders and investors to develop creative approaches to the structuring of new national loan purchase programs as well as individual deals.

Their primary objective is to bring the right people together, to match needs and products. They keep informed through our nationwide secondary market trading network and continually cultivate new investor sources. In the last five years, MGIC has participated in secondary market loan sales totaling more than \$30 billion.

In addition to our work with non-traditional investors, we are, of course, continuing our efforts to help lenders sell their loans easily and profitably to FNMA, FHLMC, Residential Funding, and other traditional investors.

Raising capital for mortgage lending will continue to be a challenge and a key to profitability in the years ahead. As a partner in that process, MGIC pledges the strength of our people and financial assets to help you meet that challenge.

on the Street

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#### **Bank Promotions**

ROMOTIONS and other announcements have been made by the following banks and banking

Centerre Bancorporation, St. Louis, Mo.: Daniel L. Huffer has joined as executive vice president and chief financial officer, responsible for the control and audit functions of the bank holding company. Mr. Huffer formerly was executive vice president of the finance group of BancOhio National Bank and senior vice president and treasurer of BancOhio Corporation.





R.J. TRACY

At Centerre Bank in St. Louis, Robert J. Tracy has been elected vice president. Mr. Tracy holds a bachelors degree in accounting and finance from Saint Louis University and joined Centerre in 1983 as assistant auditor and manager of the loan audit division.

First National Bank, St. Joseph, Mo.: Four people have recently been





R.D. CRAFT



added to the bank's staff. They are Jerry Ingle, vice president; Rodney D. Craft and Naomi Nightingale, assistant vice presidents, and Phillip Oliver, facility manager.

Mr. Ingle joined First National as vice president in the agriculture/correspondent banking department. For the past 15 years he has worked for Farmers Home Administration, USDA, in several locations through out Missouri.

Mr. Craft will be working in the loan review department. He joins the bank from Citizens Commercial and Savings Bank in Flint, Mich. where he served as senior credit analyst.

Ms. Nightingale who will be serving in the retail department, previously served as vice president and manager of the instalment lending department at United Missouri Bank. She has worked in the banking industry since 1964.

Mr. Oliver, who will manage the bank's East Facility on Frederick, has been in the banking field for several years, serving at Commerce Bank, N.A. and Laurel Bank of Kansas City, both in Kansas City, Mo.

National Boulevard Bank of Chicago: Michael C. Keeling was elected senior vice president, operations and Carl A. Jansen, vice president, commercial lending, announced bank president and CEO Richard T. Schroeder.

Prior to joining the bank in 1981 as vice president, information ser vices, Mr. Keeling served as vice president, American National Bank, Chicago, where he was responsible for Tel-A-Data, a wholly owned sub sidiary of American National. He began his career at American in 1971.

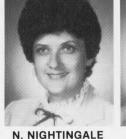
United Missouri Bank of Kansa City, N.A., Mo.: Rick Boxx has joined the bank as a commercial lending and calling officer.

Mr. Boxx is a certified public accountant and was affiliated with two area public accounting firms prior to joining the bank's holding company, United Missouri Bancshares, Inc., as an auditor in 1982. He will be working at the State Line facility.



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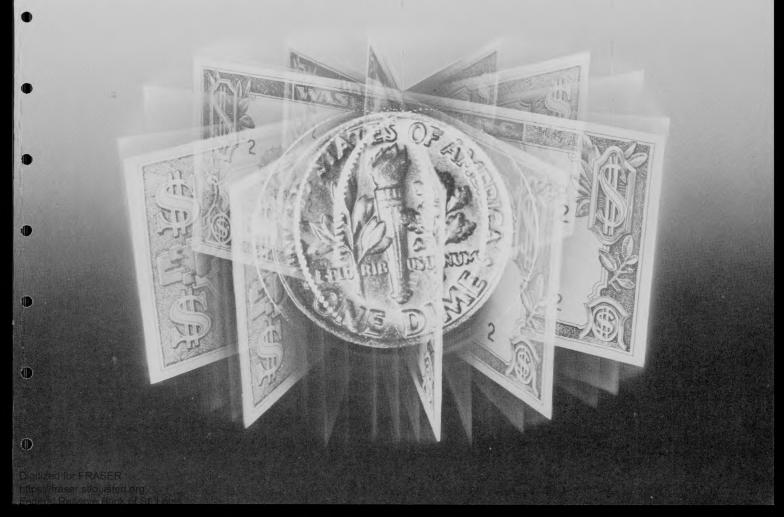
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#### Northern Trust Bank



#### Leslie Bains Heads NABW in 1984-85

ESLIE E. Bains, vice president and division executive at Chase Manhattan Bank, New York, was elected president of the National Association of Bank Women at the Association's 62nd annual convention that concluded October 3 in Honolulu, Hawaii. She succeeds Karen Thomson, senior vice president of the Midwest Commerce Banking Company, Elkhart, Ind.

Marybeth Fidler Bernhardt, vice president and manager of commercial lending for D.C. National Bank, Washington, D.C., was elected vice president. Phyllis Tyson, vice president, National Bank of Georgia Cobb Bank, Mariette, Ga., was named treasurer, and Karen S. Coldiron, vice president and cashier at Irwin Union Bank and Trust Company, Columbus, Ind., was installed as secretary.

Among the nine elected national directors were these three responsible for upper midwest and mountain states: Kay Landen, Central Bank of Denver, Denver, Colo.

(southwestern region); Gail J. Madson, First National Bank of Sioux Falls, S.D. (north central region), and Marilyn K. Wulf, Greenfield Banking Company, Greenfield, Ind. (Lake region).

Retiring President Thomson announced that NABW is launching a national membership recruitment campaign to increase membership by 10% in 15 months. Membership, she said, has been opened to women in all sectors of the financial services industry as part of the effort to increase membership.

Ruth I. Smith, chairperson of NABW's Capital Campaign said more than \$1.3 million has been raised toward a goal of \$2.5 million to support programs of the NABW Educational Foundation. She said 160 banks to date had contributed \$512,383 to help fund scholarships and management training programs, as well as research on work force issues in the financial services industry. Of that amount, Chase Bank, Citicorp and Manufacturers Hanover, all of New York, and Security Pacific National of Los Angeles have contributed \$25,000 each.

NABW members have contributed \$757,450 to date, with 40 individuals who are officers and leaders of the organization accounting for \$116,825, and the remaining \$640,825 coming from local groups and 5,200 contributing members.

Winners of the 1984 Jean Arnot Reid Scholarship Program received a total of \$18,000, with the first-place, \$5,000 scholarship going to Lois Schaeneman, assistant treasurer, Connecticut Bank & Trust Company, Hartford. Included in fourth place scholarships of \$2,000 each were Christine A. Neuman, assistant vice president and auditor, First Wisconsin Bank, Green Bay, Wis., and Nina E. Woodard, vice president, First Interstate Bank-Casper, Casper, Wyo.

Members of NABW also were told about a new self-marketing tool designed to assist executives seeking career advancement or heightened visibility. Faith Schonfeld, vice president, Bankers Trust Company, Chicago, said the kit, "Marketing Youself...On Paper and in Person," contains three separate portions:

1. A 96-page handbook on resume preparation to help an executive most effectively assemble this crucial self-marketing document.

2. A collection of sample resumes



"Come now, Thompson, computers don't bite."

highlighted for their special features.

3. A guide to self-presentation that includes practical exercises to develop necessary skills for interviews, personal interaction and group meetings.

#### Patrick L. Flinn Named to Fill RMA Presidency

Patrick L. Flinn, executive vice president, The Citizens & Southern National Bank, Atlanta, was named last month by the Robert Morris Associates' national board to fill the

post of president of the association for the remainder of the 1984-85 fis-

cal year.

Mr. Flinn was RMA's first vice president. He succeeds Glenhall E. Taylor, Jr., who recently resigned from the post following his announcement earlier in October to leave the banking industry for a position in his family's business. Mr. Taylor had been vice chairman and chief credit officer, Seafirst Corporation and Seafirst Bank, Seattle.

The RMA board also named RMA second vice president Edward J. Williams to the post of first vice president. He is treasurer, Brown Brothers Harriman & Co., New York City. In addition, Malcolm T. Murray, Jr., chairman of RMA's Policy Division Council since 1983, was named second vice president. Mr. Murray is executive vice president, First Union National Bank, Charlotte, N.C.

#### The Kirchman Corp. Forms Corporate R&D Institute

After nearly two decades of creative technological advances, The Kirchman Corporation, Orlando, Fla., has intensified its objectives with the establishment of a new national Corporate Research and De-

•velopment Institute, according to Bonnie McIntire Smith, president and chief executive officer of The

Kirchman Corportion.

Recent developments from The Kirchman Corporation's new R&D facility include Service Link and Omni Executive, two unique mainframe-to-microcomputer products

designed for Florida Software Services and Omni Resources respectively; PERC PAKs, an advanced series of management-sensitive personal computer software; Kencom, an all-in-one software system.

an all-in-one software system created for America's mid-range

bankers; and the new "energystic" refinements to all of Florida Software Services' banking systems.

Aside from new system developments, the Kirchman Corporate Research and Development Institute monitors the multitude of economic trends and social issues that constantly impact upon all phases of the banking industry. Thus, a major concentration of the institute's research analysis activities are directed at the industry's future needs and the projected demands of both consumer and commercial custo-

mers.

Located outside of Orlando in Maitland, Fla. — near The Kirchman Corporation's international headquarters — the Corporate Research and Development Institute will work to identify and create new systems and products to benefit the business of banking. In addition, it will seek to support and advance the technological needs of all existing Kirchman Companies, including Florida Software Services, Inc., Omni Resources, Inc., Infoserve, Inc., Kencom, Inc., and Link X, Inc.





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#### InnerLine Offers Performance Comparison with Competitors

B ANKS, bank holding companies and savings and loans will soon be able to anonymously compare their performance to that of competing institutions through a joint service developed by Bank Earnings International and InnerLine, an online financial information network. The micro-based system, the first of its kind according to Walter Rapawy, chief executive officer of InnerLine, located in Arlington Heights, Ill., will be available in January, 1985.

One element of the package, Peer Group, provides nationwide analysis capabilities based on asset size, branching, location, and in-house data processing versus non-data processing institutions. Data will be available on-line within 48 hours of receipt. Comparisons can be made with three asset sizes of the same type of institution, as well as with other institutions of the same size.

Another element of the package, Executive Manager, provides the institution with a detailed look at internal operations from a top management perspective.

The ability to understand how one

institution is performing, compared to others of the same size, or one size larger or smaller, can help an institution develop competitive strategies, according to Mr. Rapawy.

"The timeliness of this information is also a key feature," he said. "Participants in the Peer Group and Executive Manager will receive a complete overview of how their institutions compare to others, nationwide, on a monthly basis."

Reports generated from the total package cover all areas of the institution's operations, including trend data. All calculations are handled by the package and only raw data, which is kept confidential and anonymous, is entered into the micro-based system. Subjects covered by the report include: loan quality, fee income, financial data, staff control, staff productivity, and new business generation.

"This information is not available elsewhere, because institutions are not required to provide it to the government through quarterly call reports," Mr. Rapawy said.

A further application of the Peer Group, according to Mr. Rapawy, is the ability of an institution, holding company, state association or nationwide group to establish their own peer group which would be available only to authorized members.

"A homogeneous group can be arranged that will work within the parameters it has defined," Mr. Rapawy said. "This can be an excellent means for any organization to receive monthly information on performance of all the members of the group to ensure that performance remains consistent with the plan. It will provide an excellent tool for decision-making that depends on timely information."

Financial reports and statistics available 24 hours a day, seven days a week through InnerLine are compiled by economists, researchers, analysts, accountants, journalists consultants and commentators. They include *American Banker*; Financial Products Group; Arthur Young; *Bond Buyer*; Disclosure, Inc.; Powers Research, Inc.; McFadden Business Publications, and the Bank Marketing Association.









#### LeaseAmerica Receivables Top the \$100 Million Mark

Directors of LeaseAmerica Corporation, a general equipment lessor in Cedar Rapids, Ia., announced at an October 4th board meeting that the company has surpassed \$100 million in lease receivables.

With the addition of a new Vendor Service Division and expanding business volume, the company also has hired 23 additional employees since March, 1984. This brings the total number of employees to 68.

The company's portfolio of leases now includes major investments in office, medical, dental, manufacturing, agricultural, accounting, data processing, food service, and automative equipment. The portfolio is spread throughout the United States.

Headquartered in Cedar Rapids, LeaseAmerica has 13 regional sales offices. These are in Atlanta, Cedar Rapids, Colorado Springs, Dallas, Davenport, Des Moines, Houston, Kansas City, Louisville, Milwaukee, Minneapolis, Omaha, and a recently opened Peoria office.

LeaseAmerica, established in 1958, ranks among the oldest leasing companies in the United States.

LeaseAmerica is a subsidiary of Life Investors Inc., a diversified financial services holding company organized in 1959.

#### Mercantile, Metropolitan Plan Joint Insurance Move

Mercantile Bancorporation Inc., a major regional bank holding company headquartered in St. Louis, and Metropolitan Life Insurance Company, New York, have agreed to develop a program for the distribution of Metropolitan products and services to customers of Mercantile banks and other consumers in the bank's market areas. The announcement was made by Donald E. Lasater, Mercantile's chairman and chief executive officer, and Pierre Maurer, Metropolitan executive vice president in charge of personal insurance.

Metropolitan currently operates 25 sales offices and insures more than one million residents in the state of Missouri.

Mr. Maurer stated that Metropolitan will concentrate on two major marketing opportunities: the testing and implementation of a direct response/telemarketing program offering automobile and homeowners coverage to portions of Mercantile's

customer base and the development of insurance centers manned by salaried Metropolitan representatives. The program, which has been divided into a number of phases, will be initially implemented in metropolitan St. Louis and expanded to other locations in the state through 1987.

The first phase of the program, which Metropolitan will begin this fall, will include the direct marketing effort, the organization of the insurance centers and the recruiting of staff. Sales people will be recruited and trained to work in the specific Mercantile banks in which Metropolitan will lease space.

The second phase of the program includes the actual start-up of the insurance centers in early 1985. It will also include an expansion of the direct response/telemarketing programs.

In the third phase of the program, the insurance centers will be expanded to all Mercantile bank locations tht can support this type of presence.

According to Mr. Maurer, "These programs will be expanded and refined over time. As the relationship develops, other marketing programs may be added."





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#### **Corporate**

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

Associates Corporation of North America, New York, N.Y.: Terrell L. Potts has been elected vice president and assistant treasurer and Daniel P. Slowinske has been elected vice president.

Mr. Potts, who will continue to maintain responsibility for the Associates bank relations program, joined in 1978. He has served in various positions within the company's financial department and as senior vice president of AFC Securities, Inc. the company's broker/dealer.

Mr. Slowinske will continue to be responsible for managing the financial department office in Chicago, Ill. He joined the company in 1982 as assistant treasurer in the financial department, following extensive experience in the Chicago banking industry.

Bank Building Corporation, St. Louis: William G. Sgarlata has been

named president of the mid-continent region of BBC, it was announced recently by Rex H. Dunlap, senior vice president. Mr. Sgarlata formerly was vice president and general manager of facil-



W.G. SGARLATA

ities services at Mercantile Trust Company, St. Louis.

Bank Building's mid-continent region, headquartered in St. Louis, covers a 16-state area from Idaho in the west to Michigan in the east, and southwest to New Mexico. Mr. Sgarlata, who will supervise a staff of 56 persons, will have overall responsibility for marketing the services of BBC in this region of the United States.

Mr. Dunlap said Bank Building

was pleased to have an executive like Mr. Sgarlata join the company because his record and talents in the field of banking will be invaluable to BBC in the planning, design and construction needs of financial institutions.

Brandt, Inc., Watertown, Wis.: Kenneth R. Shellabarger and Todd Randinelli were recently appointed branch managers for Brandt.

In his new position, Mr. Shella-barger takes responsibility for sales management in the Chicago area. Prior to joining Brandt, he was a ten-year employee for Xerox Corporation, Chicago, where his last position was that of sales manager of the information systems division.





K.R. SHELLABARGER

T. RANDINELLI

Mr. Randinelli, who has been appointed branch manger of Northern Florida, joins Brandt from Victor Business Products where he was manager-central region directing the ECR, office products and microcomputer sales for 18 states.

Collateral Control Corporation, St. Paul, Minn.: Robert M. Kuenr

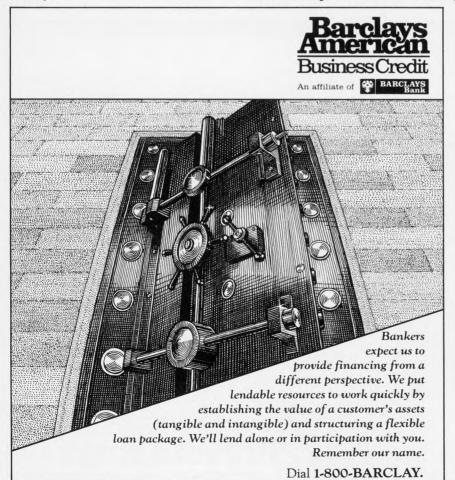
has been promoted to vice president and divisional marketing manager for the St. Paul/Chicago Region with offices at 1699 Wall Street, Mt. Prospect in Illinois.



R.M. KUENN

Mr. Kuenn has been with Collateral Control since March, 1982, most recently as a marketing representative in the Milwaukee area office. Prior to that he was employed by Roth Young Personnel as manager of financial and EDP placements.

Daktronics, Inc., Brookings, S.D.: It was announced recently that GLR, Inc. of Madison, Wis., has been appointed as a new sales agent for Daktronics products. The com-



pany is an internationally known
 manufacturer and supplier of electronic information display systems.

Peter Serena, president of GLR, said his company's offices in Chicago, Detroit, Indianapolis and Madison will market Daktronics information systems including time and temperature displays, and computer-controlled message and animation centers in Illinois, Indiana and Michigan.

Heller International Corporation, Chicago, Ill.: Edwin J. Reidy has been named senior vice president of executive manpower and organization development, and John M. Hart has been named senior vice president of human resources.

Mr. Reidy, formerly vice president of personnel and organization development, has been with the company since 1975. He holds a masters degree from Loyola University.

Mr. Hart has more than 15 years of experience in human resource management. His most recent position prior to joining Heller International was vice president of human resources for Impell Corporation, a San Francisco based engineering consulting firm.

InnerLine, Arlington Heights, Ill.:

John W. Lenz, 37, has been appointed director of systems and operations for InnerLine, according to Walter Rapawy, chief executive officer.

Mr. Lenz joins InnerLine from Peat, Marwick, Mitchell & Co., Chicago, where he served as management consultant for major commercial banking, manufacturing, insurance and health care industries. Previously, he directed computer hardware conversion projects and implemented manufacturing and financial software systems for Gould, Inc., Rolling Meadows, Ill.

Mosler, Hamilton, Ohio: Russell S. Nucaste has been named product manager of coun-

ter systems and commercial products, according to an announcement made last
 month by Joseph C. Abbott, vice president-Mosler Physical Security Operations. Mr. Nu-



caste is responsible for product line development of counter systems; record, money and data safes, bulletresistive equipment, walk-up and drive-up windows, and insulated vault doors.

Prior to his promotion, Mr. Nucaste was manager, engineering proposal group for the Mosler Counter Systems Division in Buffalo, N.Y. He has been with Mosler eight years and will now live in Hamilton.

Travelers Express Company, Inc., Minneapolis: Glenn Bozon has been appointed national sales trainer, with responsibility for sales and managerial training of region and national employees.

Before this appointment, he was director of marketing for Bethel College, and prior to that he was director of a national training institute and director of the management development center at the University of Wisconsin.

Visa U.S.A. Inc., San Francisco, Calif.: John H. Bennett, 51, has been named director of marketing and product development, and will be responsible for Visa's marketing and advertising functions as well as development of its card and paperbased payment products.

Mr. Bennett joins Visa following three years as vice president of marketing for Merrill Lynch, Pierce, Fenner & Smith, Inc., where he directed the development of the company's cash management account. He also served four years as vice president in the card division of Citibank, and was associated for almost 20 years with the American Express Company.

Verex Assurance, Inc., Madison, Wis.: Kevin L. Schultz has been

named secondary marketing account executive of Verex, a private mortgage insurer.

Prior to joining Verex, Mr. Schultz served as vice president and secretary to a federal savings



K.L. SCHULTZ

association in downstate Illinois, where he gained several years' experience in the secondary market. Mr. Schultz will be working out of Verex's Chicago customer service office.



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ABA OFFICERS for 1984-85 pictured atop the New York Hilton Hotel with skyline of the Chrysler, Pan Am and other midtown Manhattan buildings. From left: Immed. Past Pres.—C. Robert Brenton; Treas.—Harry R. Mitiguy; Pres.—James G. Cairns, Jr.; Pres.-Elect—Donald T. Senterfitt, and Exec. V.P.—Willis W. Alexander.

By **BEN HALLER**, **JR**. Publisher

#### James G. Cairns Named ABA President

Willis Alexander to Retire as E.V.P. Jan. 31, 1985

N THE DAY of his installation as president of the American Bankers Association at the 1984 convention in New York City on October 23, James G. Cairns, Jr., was given the first major challenge of his coming year in office—find a replacement for ABA Executive Vice President Willis W. Alexander.

Mr. Cairns announced at the concluding general session on Wednesday, October 24, that on the preceding evening at a private dinner meeting for ABA officers and executive staff, Mr. Alexander had submitted his resignation, effective January 31, 1985. Mr. Cairns said, "I will

shortly appoint a selection committee that will consist of a former ABA officer and three members of the ABA board to recommend a candidate to succeed Willis."

Mr. Cairns' task is one that hasn't been undertaken for 15 years. Mr. Alexander assumed the duties of executive vice president on October 1, 1969, after he had served as ABA president in 1968-69. He had served previously as president of the Missouri Bankers Association. Mr. Alexander was president for many years of his family's bank, the \$50 million Trenton Trust Co. of Trenton, Mo., and continued as chairman

of the board there since his move to Washington, a post he still holds.

Mr. Alexander gave no indication of his immediate future plans, but did say he will continue in all probability to live in the Washington area.

Announcement of the search for a new senior executive to head the professional staff of what is rated one of the most prestigious association posts in the nation led to immediate speculation by conventiongoers on potential successors. The one most frequently mentioned was Gerald Lowrie, ABA's experienced director of government relations.

Mr. Cairns follows C. Robert

#### 1984-85 ABA Officers and Board of Directors

The following five officers and 18 directors comprise the new 23-member ABA Board of Directors: **OFFICERS:** 

Pres.: James G. Cairns, Jr., pres., Peoples Natl. Bank of Washington, Seattle.

Pres.-Elect: Donald T. Senterfitt, vice chmn., Sun Banks, Inc., Orlando,

Immed. Past Pres.: C. Robert Brenton, pres., Brenton Banks, Inc., Des Moines, Ia.

Treas.: Harry R. Mitiguy, pres. Howard Bank, Burlington, Vt. Exec. V.P.: Willis W. Alexander

**Exec. V.P.:** Willis W. Alexander, Washington, D.C.

#### DIRECTORS:

- Jon S. Armstrong, chmn., Midwest Commerce Banking Company, Elkhart, Ind.
- Charles A. Bruning, pres., Edgewood Bank, Countryside, III.
- William H. Crawford, pres., First National Bank and Trust Company, Frederick, Okla.
- E. Reese Davis, chmn., County Bank of Santa Cruz, Cal.
- Milton L. Drewer, Jr., pres., First American Bank of Virginia, McLean Va.
- Glen Y. Forney, pres., Security Bank and Trust Company, Stroudsburg, Pa.
- Jordan L. Haines, chmn., Fourth National Bank and Trust Company, Wichita, Kan.
- Joe S. Hiatt, chmn., American State Bank, Charleston, Ark.
- Dan H. McLeroy, chmn. & pres., Bar-

- nett Bank of Southwest Florida, Englewood, Fla.
- John G. Medlin, Jr., pres., Wachovia Bank and Trust Company, N.A., Winston-Salem, NC.
- James J. O'Dell, chmn. & pres., Platte National Bank, Brighton, Colo.
- Mark W. Olson, pres., Security State Bank, Fergus Falls, Minn.
- Charles Pistor, chmn., Republic-Bank, Dallas, Tex.
- Leland S. Prussia, chmn., Bank of America, N.T. & S.A., San Francisco. Cal.
- Walter V. Shipley, chmn., Chemical Bank, New York, NY.
- James P. Simmons, chmn., United Bank of Arizona, Phoenix, Ariz.
- H. Lee Swanson, exec. v.p., State Bank of Cross Plains, Wis.
- Edward L. Tubbs, chmn., Maquoketa State Bank, Ia.

Brenton as ABA president. Mr. Brenton is president of Brenton Banks, Inc., Des Moines Ia.

Succeeding Mr. Cairns as president-elect for 1984-85 and in line for the 1985-86 ABA presidency is Donald T. Senterfitt, vice chairman of Sun Banks, Inc., Orlando, Fla. Continuing as treasurer for the second year of his two-year term is Harry R. Mitiguy, president and chief executive officer of Howard Bank, Burlington, Vt.

In addition to working with a new CEO of the headquarters staff in the coming year, Mr. Cairns also will be working with a completely new ABA board of directors, which was approved as part of an amendment voted unanimously by the delegates. The old 26-member board structure, consisting of the chairmen of the various ABA councils, immediate past president and the ABA officers and executive vice president, has been set aside.

The new board of directors will consist of 18 bankers elected from the membership, plus the five-member executive committee. The latter, for 1984-85, will be Mr. Cairns, Mr. Senterfitt, Mr. Mitiguy, Mr. Brenton and Mr. Alexander (and his suc-

cessor). The new board will consist of three groups: A - community banks: B - mid-size banks: C - large banks. Asset or deposit size measuring each size group was not specified. Each group will have six members each, elected two per year for three year terms. Thus, they will all be elected eventually on a rotating basis. They will be nominated in the spring by the same committee that nominates the ABA officers for election at the national convention. Delegates at the 1984 convention also approved the nominating committee's selection of the 18 members for the 1984-85 board. They are listed in a separate box with the of-

The chairmen of the various ABA councils (banking professions, communications, community bankers, government relations, etc.) now will form a new Operating Committee chaired by the President-Elect.

This will further structure ABA more along the lines of management of banks themselves by having a separately elected board of directors that includes managing officers of the association, and an operating committee made up of members under a chief operating officer.

The ABA president will appoint a vice president for each state. Individual states will continue to elect two of their members as they have in the past for the ABA Council. Generally, these posts have been filled by the two immediate past presidents of each state association. This body, however, instead of functioning as the ABA Council, will be elected to represent their states to the ABA Leadership Conference, which formulates ABA policy on legislation by consensus.

Registration at the 1984 convention exceeded 10,000 and was the first time that ABA has met in New York since 1975. The convention, which started with a round of receptions, committee meetings and ABAsponsored sessions on Saturday, October 20, ran through the final general session Wednesday noon, October 24. In addition to three general sessions, registrants could attend an assortment of more than 50 forums, seminars, public policy discussions, rap sessions and spouse discovery sessions. ABA also hosted its two traditional, elegant receptions for members. A total of 319 booths were divided into two exhibit areas-one at the New York Hilton, the other





**SOME** of lowa registrants included, from left: **Bob Millen**, pres., United Central Bank, Des Moines, and **Happy; J.C.** and **Neil Milner**, exec. v.p., lowa Bankers Assn., Des Moines; **John Sagers**, pres., Peoples B&T, Cedar Rapids, and **Birgit**, and **Joann** and **Scott Fetner**, pres., Natl. Bank of Waterloo.





LEFT—Bud Pike, pres., Hawkeye B&T, Grundy Center, Ia., and Evelyn, with Mona and Herb Lund, pres., Security State, Albert Lea, Minn—RIGHT—Sales personnel at Monroe Systems for Business exhibit included Kathy Wetzel, Jim Ruth, Robert Cohen and Al Bartello.

across the street at the Sheraton Centre.

A major report called "The Retail Force: Consumer Delivery Decisions for Financial Institutions," was unveiled at a Saturday press conference by Clifford M. Hames, chairman of the ABA Consumer Financial Services Group and vice-chairman of Sun Bank, Orlando, Fla. He said it will enable the nation's commercial banks to reconceptualize their role in the financial retail marketplace while providing the strongest identification of today's consumers.

"This study," he said, "tells banks how to determine what consumers want and what banks must do to attract new retail customers. Retail bankers continue to be at a disadvantage to our competitors because of restrictive regulations. And now, a consumer financial services industry has emerged with a myriad of new competitors vying for positions. Today, retail banking is an industry more marketing-oriented than product driven. Customers will demand that their retail bank respond to their needs, and they will use the new leverage that alternative financial service providers give them."

"The Retail Force" report offers suggested approaches for banks and the report has been made available to all member banks. Randall Killebrew, president of First National Bank of Petersburg, Ill., and incoming chairman of the ABA Community Bankers Council, stated, "Smaller community banks will find The Retail Force to be a practical roadmap to guide them on how to go about improving the delivery of their products and services."

In his address to the Monday general session titled, "Reflections," FDIC Chairman William M. Isaac said, "Since this may well be my last appearance before this group as Chairman of the FDIC, there are many thoughts I would like to share with you." Mr. Isaac gave no further indication of whether he plans to resign, believes he will be replaced, or was merely referring to the fact that the presidential election would be held within two weeks following his address.

He said "we often hear about what is wrong in banking today...I prefer to focus on what is right with banking...85 percent of all banks are in good condition. Earnings are under pressure but are up slightly from 1982...aggregate capital ratio has increased for four consecutive years, and its loan loss reserve ratio has increased for six successive years. The failure rate is high, but, at less than one-half of one percent per year, it remains well below any other industry with which I am familiar and far lower than was typical even in banking prior to the 1930s.

"Moreover, banking has established and borne the cost of the most effective safety net in the world. After absorbing record losses during the past four years, and without relying on one nickel of taxpayer money, the FDIC insurance fund is stronger and more liquid than ever."

Mr. Isaac reviewed the additional powers of insurance, real estate and securities that banks are seeking and said that acting in any of these capacities poses no more risk to banks than their present authorized risk taking activities. He said denial of these new activities involves a different kind of power: "political power."

Mr. Isaac closed by pleading his case again for a reform of the deposit insurance program and warned of potential "nationalization" of bank-





HOSTING the FirsTier of Nebraska reception were: John Woods, chmn. FirsTier and Omaha Natl., and Marian; Bill Smith, pres. FirsTier and pres., 1st Natl. Lincoln, and Linda; Mary Jo and Mike Dahir, v.p. Omaha Natl.; John Martin, sr. v.p., Omaha Natl., and Linda; Gary Thrasher, Omaha Natl. exec. v.p., and Carole, and Orrin Wilson, 1st Natl. Lincoln exec. v.p., and Jan.





SOUTH DAKOTA officers attending included: Mike Broderick, pres., First American Bank, Canton, SDBA v.p.; John Haerter, pres., Farmers State, Hosmer, SDBA pres., and Milt Schwartz, SDBA exec. v.p., Pierre. RIGHT—North Dakota officers included: Darold Petersen, pres., Lakeside State, New Town, NDBA immed. past pres.; Bill Sanger, pres., First Bank of N.D., Wahpeton, NDBA pres-elect; Harry Argue, NDBA exec. v.p., and Les Nesvig, pres., First State, Lamoure, NDBA pres.

ing. He said, "My purpose today is not to explain in detail or attempt to sell any specific reform measures. My goal is simply to convince you that there are serious problems in the way our deposit insurance system operates which require your urgent attention. The current system is grossly unfair to smaller banks and well-run banks and poses a substantial threat to our free-enterprise system of banking. The hour is growing late, but there is still time to return to a safer course."

Comptroller of the Currency C. Todd Conover spoke at the final general session and confirmed that his office was going to proceed aggressively in issuing charters to nonbanks, since Congress failed to act on the matter, and his self-imposed moratorium had expired. He said he had 332 applications from 47 applicants for charters in 41 states. He said he "will take into account: 1. The quality, integrity and condition of the applicants. 2. Adequacy of capital. 3. Does the operating plan submitted indicate the applicants understand what they are getting into so far as running a business?

"What will not be considered is whether there are too many banking facilities. We will not be in the rationing business."

In response to a question regarding the Garn/St. Germain statement that a grandfather date of July 1,

1983 would be placed in the next bill discussed and this would void any charters after that date, Mr. Conover stated, "I have no concern about that. If the applicants do, they can withdraw their applications. Right now they are perfectly legal. We'll tell them of the July, 1983, threat. It is likely that the fact that banks obtain charters will have an impact on Congress. The fact that they announced the July, 1983, date doesn't make it so. That needs approval of all in Congress."

The 1985 ABA convention will be held in New Orleans October 19-23. The 1986 convention is scheduled for October 24-29 in San Francisco.





WELCOMING guests at First Banks of Minneapolis and St. Paul luncheon were: Dick Schoenke, pres., First Minneapolis, and Sandy, and Dale Hanson, pres., First St. Paul, and Joan. RIGHT—Henry Royer, pres., Merchants Natl., Cedar Rapids, Ia., and Ann, were greeted by Patti and Ken Wales, sr. v.p., First Minneapolis.





MINNESOTA attendees included, from left in above photos: Jodi and Mike Pieschel, pres., Farmers & Merchants State, Springfield; Nancy and Roland Nordlund, chmn., Town and Country Bank, St. Paul; Kathie and Mike Lillehaugen, pres., Community State, Alexandria, and Marlys and Paul Lindholm, pres., Bank of Maple Plain. In photos below: Leila and Truman Jeffers, exec. v.p., Minnesota Bankers Assn., Minneapolis; Pat and Clint Kurtz, pres., Citizens State, Norwood; Gene Beito, pres., Northern State, Thief River Falls, and Gretchen, and Jan Nelson, whose husband, Art, is pres., Burnsville State, Burnsville.









WORLD headquarters building of Manufacturers Hanover Trust Company at 270 Park Ave. was the setting for the MH traditional ABA reception. Greeting guests were **Don McCree**, exec. v.p., and **John McGillicuddy**, chmn. & ceo. RIGHT—At annual breakfast hosted by United Missouri Bank of Kansas City, hosts included **Crosby Kemper**, chmn. & ceo, and **Bebe**, along with **Judy** and **Dick King**, pres.





● CHASE Manhattan Bank of New York's exhibition of various financial services was discussed with bankers by Anthony P. Terraciano, exec. v.p. & chief fin. off., and Susan Schoon, v.p. & exec. in charge of community banking division. RIGHT—Chase Bank also hosted convention-goers at an elegant reception in the Metropolitan Opera House at Lincoln Center. Pictured are Royce Clark, chmn. & ceo of Intra-West Bank of Greely, Colo., and Alma; Jay Starr, Chase 2nd v.p.; Pat and Jack Guthrie, chmn., First Wyoming Bank, N.A., of Laramie, Wyo.





LA SALLE Natl. of Chicago reception was hosted by Emil Schubert, v.p.; Homer Livingston, Jr., pres.; Nancy Schubert; Cheryl and Hill Hammock, exec. v.p. RIGHT—At First Natl. of St. Joseph, Mo. reception were: Bill Manring, v.p. of host bank; Luther Thompson, pres., Bank of Atchison Co., Rock Port, Mo., and Jane; Wells Hill, pres., Wells Bank at Platte City, Mo., and Sue, and Ken Gilpin, exec. v.p., 1st St. Joseph





LEFT—LeFebure Corporation of Cedar Rapids, Ia., personnel included Harold Elchlepp, adv. & sales prom. mgr.; Jim Burritt and Bob Kappmeyer, product mgrs. RIGHT—Ron Bolton, natl. sales mgr., and Bob Millar, product line mgr.—fin. systems, at their booth for Sharp Electronics Corp., Paramus, N.J.

A Plain
English
Guide to
Asset/Liability
Management

Written by Bankers for Bankers

#### A Plain English Guide to Asset/Liability Management

#### **ABOUT THE AUTHORS**

Paul Lindsey is president and CEO of Farmers National Bank of Geneseo, III., an agricultural-oriented financial institution. Mr. Lindsey has over 15 years experience in the banking industry and has been instrumental in helping Farmers National to nearly double in size in only seven years from \$60 million in total assets in 1977 to its present size of \$115 million. He is also a member of the bank's Asset/Liability Management Committee (ALCO) and a member of the bank's board of directors. Farmers National has had a formal asset/liability management program in effect since 1978

Bill Goedken is president and CEO of F.N.Bankware, Inc., a financial institution consulting and microcomputer software firm in Omaha, Nebr. Mr. Goedken holds CPA and CMA certifications, and is an MBA graduate of the University of Iowa. Before joining F.N.Bankware, Mr. Goedken was a senior consultant with Touche Ross & Co., an international CPA firm. He has over 10 years experience in the banking and savings and loan industries, asset/liability management, and financial institution operations.

Jim Riha is senior vice president and controller of Packers National Bank of Omaha, Neb. Packers is an urban retail bank in a highly competitive metropolitan market and has assets of \$120 million. Mr. Riha is a graduate of the Colorado School of Banking and the Stonier Graduate School of Rutgers. As both CFO and chief administrative officer of Packers, Mr. Riha is responsible for all financial operations of the bank, including asset/liability management. He is also a member of the bank's Asset/Liability Management Committee (ALCO).

#### Part III

Ed. Note: This is the third in a five-part series presenting to our readers the entire booklet titled, "A Plain English Guide to Asset/Liability Management." Part II last month began a presentation of the Four Approaches to Practicing ALM and discussed the first of three—Pool-of-Funds Approach, Management Science Approach and Duration Approach. The fourth, Gap Management Approach, is presented here in a separate discussion as Part III. (As noted at the outset of this series, a free copy of the entire booklet may be obtained by writing the Editor.)

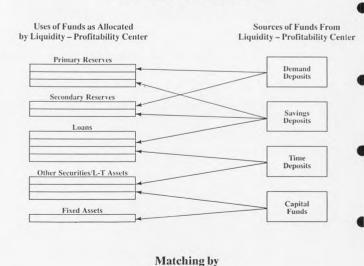
**Gap Management Position** 

The gap management approach (also called assetallocation approach) is rapidly gaining popularity within the banking industry and is probably the most predominant practice today. This approach matches various categories of liabilities to categories of assets of similar maturity lengths and/or risk classes. For example, 30-month CD's would be matched with loans and securities of similar maturity (see Figure 4 for an illustration). If any mismatching occurs on the balance sheet as a whole (the asset/liability structure), a "gap" results. Since gap management is probably the most predominant practice today, we will examine it step by step.

Let's take a simple example to learn the "gap" concept. Suppose your current balance sheet resembles the one shown in Figure 3. Note the balances and rates of the various asset and liability categories. These are the *current* balances and weighted-average rates for each account. This balance sheet presents only part of the information needed for gap managemnt. We must further identify these asset and liability categories according to maturity as shown in Figure 5. This is the same balance sheet as shown in Figure 3 but with the total balance broken out by maturity for each of the next three months and the total amount maturing beyond three months. Note that total assets are \$50,736,000 and total deposits are \$44,446,000.

Now let's analyze a single account. Look at U.S.

#### FIGURE 4 GAP Management Approach



Maturity/Repricing

**Time Frames** 

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Federal Reserve Bank of St. Louis

#### FIGURE 3

POOL OF FUNDS APPROACH

SAMPLE BANK U.S.A.

FIGURES ARE IN THOUSANDS

ASSET DESCRIPTION			LIABILITY & EQUITY DESC	RIPTION	
CASH & DUE FROM BANK	AMOUNT:	2,418	DDA'S	AMOUNT:	8,250
	RATE:	0.00%		RATE:	0.00%
			NOW ACCOUNTS	AMOUNT:	7,340
J.S. GOVERNMENT'S	AMOUNT:	5,716		RATE:	5.25%
	RATE:	10.75%	SAVINGS	AMOUNT:	5,635
AGENCY ISSUES	AMOUNT:	4,932		RATE:	5.50%
	RATE:	11.12%	MONEY MARKET ACCOUNTS	AMOUNT:	3,785
MUNICIPAL'S	AMOUNT:	5,131		RATE:	9.55%
	RATE:	6.57%			
FED FUNDS SOLD	AMOUNT:	2,745	SUBTOT. DDA'S AND SAV.	AMOUNT:	25,010
	RATE:	9.55%		RATE:	4.232
SUBTOTAL INVESTMENTS	AMOUNT:	18,524	MONEY MARKET CD'S	AMOUNT:	5,450
	RATE:	9.517		RATE:	10.007
			6 MONTH CD'S	AMOUNT:	5,435
COMM. LOANS-VARIABLE	AMOUNT:	7,533		RATE:	10.257
	RATE:	14.25%	30 MONTH CD'S	AMOUNT:	4,278
COMM. LOANS-FIXED	AMOUNT:	2,513		RATE:	12.457
	RATE:	13.80%	CD'S > \$100,000	AMOUNT:	2,895
AGRI LOANS	AMOUNT:	5,241		RATE:	11.007
nonz conno	RATE:	14.35%	DTHER CD'S	AMOUNT:	1,378
INSTALLMENT LOAMS	AMOUNT:	7,232	Official Ob o	RATE:	8.907
INSTRECTION COMO	RATE:	14.50%			
REAL ESTATE LOANS	AMOUNT:	2,560	SUBTOTAL CD'S	AMOUNT:	19,436
NEHE ESTRIE ESTRIS	RATE:	12.25%	SOUTHINE OF S	RATE:	10.687
OTHER LOANS	AMOUNT:	2,340		mire.	10100
OTHER CORRS	RATE:	13.331			
ALLOW FOR LOAN LOSS	AMOUNT:	(300)	TOTAL DEPOSITS	AMOUNT:	44,446
HELDW FOR EDAM EDGS	RATE:	0.00%	TOTAL BEI GOTTO	RATE:	7.057
SUBTOTAL LOANS	AMOUNT:	27,119	FED FUNDS PURCHASED	AMOUNT:	0
	RATE:	14.187		RATE:	9.557
		241.110	OTHER LIABILITIES	AMDUNT:	2,450
FIXED ASSETS	AMDUNT:	1,350		RATE:	0.00
	RATE:	0.00%			
OTHER ASSETS	AMDUNT:	1,325	SUBTOTAL OTHER LIAB.	AMOUNT:	2,450
	RATE:	0.00%		RATE:	0.007
SUBTOTAL OTHER ASSETS	AMOUNT:	2,675	CAP. STOCK & RET. EARN.	AMOUNT:	3,840
	RATE:	0.001		RATE:	0.00
TOTAL ASSETS	AMOUNT:	50,736	TOTAL LIAB. & EQUITY	AMOUNT:	50,736
	RATE:	11.05%		RATE:	6.17

WEIGHTED AVG. RETURN ON ASSETS 11.05% WEIGHTED AVG. COST ON FUNDS (HURDLE RATE) 6.17% OIFFERENCE (SPREAD) 4.88%

government securities. Notice that \$500,000 is coming due (maturing) within 30 days (the first month on our three-month planning horizon). No securities are due in 30-60 days (the second month), but \$800,000 is due in

• the third month. The remaining \$4,416,000 of U.S. government securities mature beyond the third month. This totals \$5,716,000. The \$500,000 of U.S. government securities maturing within 30 days may be composed of 91-day T-bills, treasury bonds and other governments. Thus, the total of all of the individual U.S.

ernments. Thus, the total of *all* of the individual U.S. government securities coming due within 30 days equals \$500,000. Also, each individual security coming due has its own individual rate. When we average all of the individual rates together on the \$500,000 balance,

• we get 9.45%.

In Figure 5, looking down the column, we see that \$6,656,000 in *total* assets mature within 30 days. Total liabilities maturing within 30 days is \$6,839,000. Figure 6 shows that the difference between the total assets and the total liabilities maturing in 30 days is a

negative \$183,000. This difference is called the 30-day *Maturity Gap*. Thus, Figure 6 shows the maturity gap position for each month up to three months. Also shown in this figure is the cumulative maturity gap position, that is, the month-to-month "running total" of the gap positions.

The maturity gap is the simplest form or measure of gap. However, variable-rate securities and financial instruments add another dimension to measuring gap. When fixed-rate assets and liabilities mature, their rates may potentially change if they are replaced. However, variable-rate assets and liabilities may potentially have their rates change before they mature. This potential rate change is called repricing. Repricing on variable-rate instruments may occur on a monthly, quarterly, or on a more or less frequent basis. Thus, all variable-rate accounts are subject to repricing before they mature. Since repricing does have a major impact on a bank's strategies and performance, we must examine a more comprehensive form of gap called *Repricing Gap*.

In Figure 5, we had two commercial loan categories, variable-rate and fixed-rate. We see that a similar maturity pattern exists between the variable-rate commercial loan and the fixed-rate commercial loans. As we mentioned, interest rates on variable-rate loans have the potential to be changed monthly, quarterly, etc., even though the loan may mature 6-12 months from now. Thus the bank may have the option to reprice the variable-rate commercial loans within 30 days. Repricing may also occur for variable-rate CD's and all other variable-rate instruments. Figures 7 and 8 illustrate a repricing gap pattern. Note how the measured gap position has changed, i.e., the repricing gap is different from the maturity gap.

This leads us to an important new concept. Assets repricing within a short time frame (usually one year) are called "Rate Sensitive Assets," (RSA), while liabilities repricing within one year are called "Rate Sensitive Liabilities," (RSL). The difference between RSA and RSL is the repricing gap. Other rate-bearing assets and liabilities, such as NOW accounts, are "non-rate sensitive" because the rates on these accounts generally do not change. Other accounts which have no rate, such as cash, DDA's, and fixed assets are called "zero-rate" accounts.

Distinguishing between maturity gaps and repricing gaps is important. Maturity gaps measure poten-

#### FIGURE 6

GAP AND CUMULATIVE GAP MEASUREMENTS

SAMPLE BANK U.S.A. END OF THE CURRENT MONTH

FIGURES ARE IN THOUSANDS

DI	ESCRIPTION	MONTH 1	MONTH 2	MONTH 3	AFTER MONTH 3	TOTAL
1)	ASSETS COMING DUE:	6,656	3,154	4,153	36,773	N/A
2)	LIABILITIES COMING DUE:	6,839	2,746	2,954	38,197	N/A
5)	MATURITY GAP POSITION (1 - 2):	(183)	408	1,199	(1,424)	N/A
4)	CUMULATIVE GAP POSITION	(183)	225	1,424	0	N/A

#### FIGURE 7

#### BALANCE SHEET BROKEN OUT BY REPRICING

#### SAMPLE BANK U.S.A. END OF THE CURRENT MONTH

#### FIGURES ARE IN THOUSANDS

ASSET DESCRIPTION		MONTH 1	MONTH 2	MONTH 3	AFTER	TOTAL
CASH & DUE FROM BANK	AMDUNT:				2,418	2,418
	RATE:				0.007	0.001
U.S. GOVERNMENT'S	AMOUNT:	500		800	4,416	5,716
	RATE:	9.451		11.501		10.75%
AGENCY ISSUES	ANOUNT:	375	100	218	4,239	4,932
	RATE:	12.55%	12.241	11.751	10.937	11.127
MUNICIPAL'S	AMOUNT:	200			4,931	5,131
	RATE:	5.90%			6.597	6.577
FED FUNDS SOLD	AMOUNT:	2,745				2,745
	RATE:	9.551				9.55%
SUBTOTAL INVESTMENTS	AMOUNT:	3,820	100	1,018	13,586	18,524
	RATE:	9.641	12.247	11.551	9.301	9.517
COMM. LOAMS-VARIABLE	ANOUNT:	7,533				7,533
	RATE:	14.25%				14.25%
COMM. LOANS-FIXED	AMOUNT:	366	375	450	1,322	2,513
	RATE:	13.65%	13.721	13.751	13.897	13.807
AGRI LOAMS	AMOUNT:	300	375	455	4,111	5,241
	RATE:	14.25%	14.351	14.25%	14.372	14.351
INSTALLMENT LOANS	ANOUNT:	645	650	650	5.287	7,232
	RATE:	14.001	14.102	14.25%	14.647	14.507
REAL ESTATE LOAKS	AMOUNT:	50	50	50	2,410	2,560
	RATE:	10.55%	10.55%	10.55%		12.097
OTHER LOAKS	AMOUNT:	230	230	230	1,650	2,340
	RATE:	13.001	13.001	13.00X	13.462	13.337
ALLON FOR LOAN LOSS	AMOUNT:				(300)	(300)
	RATE:				0.001	0.001
SUBTOTAL LOAKS	AMOUNT:	9,124	1,680	1,835	14,480	27,119
	RATE:	14.167	13.817	13.877	14.26%	14.172
FILED ASSETS	AMOUNT:				1,350	1,350
	RATE:				0.00Z	0.001
OTHER ASSETS	AMOUNT:				1,325	1,325
	RATE:				0.001	0.00Z
SUBTOTAL OTHER ASSETS	AMOUNT:				2,675	2,675
	RATE:				0.002	0.007
TOTAL ASSETS	AMOUNT:	12,944	1,780	2,853	33, 159	50,736
	RATE:	12.82%	13.732	13.041	10.042	11.057

DDA'S MOW ACCOUNTS	AMOUNT:		2	2	HONTH 3	
NOW ACCOUNTS					8,250	8,250
NOW ACCOUNTS	RATE:				0.00I	0.00
	AMOUNT:				7,340	7,340
	RATE:				5.251	5.25
SAVINGS	AMDUNT:				5,635	5,635
	RATE:				5.501	5.50
MONEY MARKET ACCOUNTS	AMOUNT:	3,785				3,785
	RATE:	9.55%				9.55
SUBTOT. DDA'S AND SAV.	AMOUNT:	3,785			21,225	25,010
	RATE:	9.55%			3.281	4.23
MONEY MARKET CD'S	AMOUNT:	5,450				5,450
	RATE:	10.007				10.00
6 MONTH CD'S	AMOUNT:	1,835	900	900	1,800	5,435
	RATE:	10.277	10.201	10.20%	10.281	10.25
30 MONTH CD'S	AMDUNT:	1,379	221	196	2,482	4,278
	RATE:	12.407	14.201	14.007	12.201	12.45
CD'S > \$100,000	AMOUNT:	400	450	550	1,495	2.895
	RATE:	11.75%	11.501	11.457	10.491	11.00
OTHER CD'S	AMOUNT:	1,378	10000000	7.5		1,378
	RATE:	B.90%				8.90
SUBTOTAL CD'S	AMOUNT:	10,442	1,571	1,646	5,777	19,436
	RATE:	10.297	11.141	11.07%	11.167	10.687
TOTAL DEPOSITS	AMOUNT:	14,227	1,571	1,646	27,002	44,446
	RATE:	10.09%	11.142	11.07%		7.05
FED FUNDS PURCHASED	AMOUNT:				0	
	RATE:				9.55%	9.55
OTHER LIABILITIES	AMOUNT:				2,450	2,450
	RATE:				0.001	0.00
SUBTOTAL OTHER LIAB.	AMOUNT:				2,450	2,450
	RATE:				0.001	0.00
CAP. STOCK & RET. EARN.					3,840	3,840
	RATE:				0.001	0.00
TOTAL LIAB. & EQUITY	AMOUNT: RATE:	14,227	1,571	1,646	33,292	50,736

#### FIGURE 8

REPRICING GAP AND CUMULATIVE GAP MEASUREMENTS

SAMPLE BANK U.S.A. END OF THE CURRENT MONTH

FIGURES ARE IN THOUSANDS

MONTH 1	MONTH 2	MONTH 3	AFTER MONTH 3	TOTAL
12,944	1,780	2,853	33,159	N/A
14,227	1,571	1,646	33,292	N/A
(1,283)	209	1,207	(133)	N/A
(1,283)	(1,074)	133	0	N/A
	1 12,944 14,227 (1,283)	1 2 12,944 1,780 14,227 1,571 (1,283) 209	1 2 3 12,944 1,780 2,853 14,227 1,571 1,646 (1,283) 209 1,207	1 2 3 MONTH 3  12,944 1,780 2,853 33,159  14,227 1,571 1,646 33,292  (1,283) 209 1,207 (133)

#### FIGURE 9

	FIGURE 9	
	EFFECT OF 17	RISE IN INTEREST RATES
D	ESCRIPTION	MONTH 1
1)	ASSETS COMING DUE:	\$12,944,000
2)	LIABILITIES COMING DUE:	14,227,000
3)	REPRICING GAP POSITION (1 - 2):	(1,283,000)
4)	RISE IN INTEREST RATES:	1.00%
5)	ANNUAL INTEREST INCOME INCREASE (1 X 4)	\$129,440
6)	ANNUAL INTEREST EXPENSE INCREASE (2 % 4)	142,270
7)	RISE IN NET INTEREST INCOME (EXPENSE)	(12,830)

#### FIGURE 5

#### BALANCE SHEET BROKEN OUT BY MATURITIES

#### SAMPLE BANK U.S.A. END OF THE CURRENT MONTH

FIGURES ARE IN THOUSANDS

ASSET DESCRIPTION		MONTH 1	MONTH 2	MONTH 3	AFTER HONTH 3	TOTAL	LIABILITY & EQUITY DESCRI	RIPTION
CASH & DUE FROM BANK	AMOUNT: RATE:				2,418	2,418 0.001	DDA'S	AMOUNT RATE:
					*****		MOM ACCOUNTS	AMOUNT
L.S. GOVERNMENT'S	AMOUNT:	500		800	4,416	5,716		RATE:
	RATE:	9.451		11.50%		10.752	SAVINGS	AMOUNT
AGENCY ISSUES	AMOUNT:	375	100	218	4,239	4,932		RATE:
	RATE:	12.55%	12.24%	11.757	10.932		MONEY MARKET ACCOUNTS	AMOUNT
HUMICIPAL'S	AMOUNT:	200			4,931	5,131		RATE:
	RATE:	5.90%			6.592	6.57%		
FED FUNDS SOLD	AMOUNT:	2,745				2,745	SUBTUT. DDA'S AND SAV.	AMOUNT
	RATE:	9.551				9.55%	***************************************	RATE:
SUBTOTAL INVESTMENTS	AMOUNT:	3,820	100	1,018	13,586	18,524	MONEY MARKET CD'S	AHOUNT
	RATE:	9.641	12.24%	11.55%	9.302	9.517		RATE:
							6 MONTH CD'S	AMOUNT
COMM. LOANS-VARIABLE	AMOUNT:	1,245	1,374	1,300	3,614	7,533		RATE:
	RATE:	14.207	14.20%	14.251	14.297	14.25%	30 MONTH CD'S	AMOUNT
COMM. LOANS-FILED	AMOUNT:	366	375	450	1,322	2,513		RATE:
	RATE:	13.65%	13.721	13.75%	13.897	13.80%	CD'S > \$100,000	AMOUNT
AGRI LOANS	AMOUNT:	300	375	455	4,111	5,241		RATE:
	RATE:	14.25%	14.35%	14.25%		14.35%	OTHER CD'S	AMOUNT
INSTALLMENT LOAMS	AMOUNT:	645	650	650	5, 287	7,232		RATE:
	RATE:	14.00I	14.102	14.25%	14.647	14.507		
REAL ESTATE LOAMS	AMOUNT:	50	50	50	2,410	2,560	SUBTOTAL CD'S	AMOUNT
	RATE:	10.55%	10.55%	10.55%	,	12.09%		RATE:
OTHER LOAKS	AMOUNT:	230	230	230	1,650	2,340		
	RATE:	13.00Z	13.001	13.00%		13.331		
ALLOW FOR LOAM LOSS	AMOUNT:				(300)	(300)	TOTAL DEPOSITS	AMOUN
	RATE:				0.007	0.001		RATE:
SUBTOTAL LOANS	AMOUNT:	2,836	3,054	3,135	18,094	27,119	FED FUNDS PURCHASED	AHOUNT
	RATE:	13.937	13.997	14.037	14.26%	14.17%		RATE:
							OTHER LIABILITIES	AMDUN
FILED ASSETS	AMOUNT:				1,350	1,350		RATE:
	RATE:				0.001	0.002		
OTHER ASSETS	AMOUNT:				1,325	1,325	SUBTOTAL DIHER LIAB.	AMOUN
	RATE:				0.001	0.001		RATE:
SUBTOTAL OTHER ASSETS	ANDUNT:				2,675	2,675	CAP. STOCK & RET. EARM.	AHOUNT
	RATE:				0.007	0.00%		RATE:
TOTAL ASSETS	AMOUNT:	6,656	3,154	4,153	36,773	50,736	TOTAL LIAB. & EQUITY	AHOUN
	RATE:	11.47%	13.937	13.427	10.467	11.05%		RATE:

LIABILITY & EQUITY DESCR	RIPTION	HONTH 1	HONTH 2	HDNTH 3	AFTER HONTH 3	TOTAL
DDA'S	AMOUNT:				8,250	8,250
	RATE:				0.001	0.007
NOW ACCOUNTS	AMDUNT:				7,340	7,340
	RATE:				5.251	5.25%
SAVINGS	AMOUNT:				5,635	5,635
	RATE:				5.501	5.501
MONEY MARKET ACCOUNTS	AMOUNT:	3,785				3,785
	RATE:	9.551				9.551
SUBTUI. DDA'S AND SAV.	AMOUNT:	3,785			21,225	25,010
	RATE:	9.557			3.281	4.232
HONEY MARKET CD'S	AMOUNT:	1,250	1,000	986	2,214	5,450
	RATE:	9.60%	9.60%	9.85%	10.477	10.007
6 MONTH CD'S	AMOUNT:	900	900	900	2,735	5,435
	RATE:	10.207	10.20%	10.20%	10.301	10.257
30 MONTH CD'S	AMOUNT:	379	221	196	3,482	4,278
	RATE:	14.457	14.20%	14.00%	12.037	12.457
CD'S > \$100,000	AMDUNT:	400	450	550	1,495	2,895
	RATE:	11.757	11.50%	11.457		11.007
OTHER CD'S	AMOUNT:	125	175	322	756	1,378
	RATE:	9.251	9.00%	8.652	8.921	8.907
SUBTOTAL CD'S	AMDUNT:	3,054	2,746	2,954	10,682	19,436
	RATE:	10.652	10.441	10.401	10.83%	10.687
TOTAL DEPOSITS	AMOUNT:	6,839	2,746	2,954	31,907	44,446
	RATE:	10.042	10.44%	10.402		7.052
FED FUNDS PURCHASED	ANDUNT:				0	
	RATE:				9.551	9.557
OTHER LIABILITIES	AMOUNT:				2,450	2,450
	RATE:				0.901	0.007
SUBTOTAL DIHER LIAB.	AMOUNT:				2,450	2,450
	RATE:				0.001	0.001
CAP. STOCK & RET. EARM.	AHOURT:				3,840	3,840
	RATE:				0.001	0.001
TOTAL LIAB. & EQUITY	AMOUNT:	6,839				50,736
	RATE:	10.047	10.447	10.407	4.85%	6.177

tial cash flows. The assets maturing over time are your potential cash inflows, i.e., investments coming due, payment of principal/interest on your loans, etc.; while the liabilities maturing over time are your potential cash outflows, i.e., customer CD's coming due, repurchase agreements which will mature, etc. The net cash flow, of course, is the maturity gap. The maturity gap is a preliminary indicator of potential liquidity risk, that is, the risk that a bank may or may not have enough funds to meet its maturities. We emphasize that the maturity gap is based on potential inflows and outflows of assets and liabilities. For example, when a CD comes due, it may be rolled over, in whole or in part, or a new type of CD may be issued in its place. Likewise in the case of a loan. New loans may be issued to replace those that are paid off while other loans may be paid off early. So as time goes on, the maturity gaps

may change according to the actual transactions occurring. We will discuss maturity gaps later, but for now, let's examine repricing gaps in more detail.

Why are repricing gaps important? Repricing gaps are generally more meaningful than maturity gaps because repricing gaps are an indicator of *interest-rate risk*. Figure 8 shows a negative repricing gap in the next 30 days meaning that, potentially, more liabilities will have their rates changed than assets. For example, let's assume a 1% rise in rates will occur on every financial instrument within 30 days. Figure 9 illustrates that if all of the 30-day assets and liabilities reprice at 1% over their current rates, *more liabilities will reprice at the new higher rate than assets* meaning interest expense will rise faster than interest income. The net additional annualized expense incurred if these instruments rolled over would be \$12,830. One quickly

sees the importance of repricing gaps; in a volatile interest rate environment, the larger the repricing gap position, the higher the interest-rate risk.

We can now make the following statements:

Repricing gap equals rate-sensitive assets minus rate-sensitive liabilities. A bank with positive "gaps" will benefit from rising interest rates, while being penalized by falling rates. The reverse holds true for negative "gaps." In addition, the larger the "gap" position for a given time period, the more vulnerable a bank's profits are to changes in interest rates. Thus interest-rate risk is potentially higher for larger "gap" positions.

Getting back to gap management, banks who want to minimize interest-rate risk will try to maintain a repricing gap as close to zero as possible by matching assets and liabilities of similar repricing intervals.

As you can see, gap management can be a very useful and important tool to reduce interest-rate risk and/or liquidity risk. Morever, with the various microcomputer models available today, both maturity and repricing gaps can be quickly measured making gap management relatively easy to implement.

The main disadvantage of gap management is that strict matching of asset/liability structures may be detrimental to overall bank profitability. It may be advantageous for a bank to "sink" long-term funds into short-term assets or vice versa, depending on various movements of interest rates.

Another disadvantage to gap management is the possible reduction of one type of risk at the expense of increasing another. For example, let's assume you are in a "negative repricing gap" position, and interest rates are expected to rise. To reduce interest-rate risk, let's assume you adopt a policy to issue variable-inter-

est rate loans only. Provided your loan customers don't leave your bank for another institution because of this policy change, you may be successful in reducing your negative gap position and, consequently, reduce your interest-rate risk. This results because more assets have the potential to be repriced than liabilities. But there is a "double-edged sword" to your policy change. You may have increased credit risk because a variable-rate loan policy assumes your customers have the ability to meet the increased interest payments if rates rise. If rates rise rapidly (as they did in 1980-81), your customers may be caught in a cash flow bind and unable to meet the increased payments.

Which Approach is Best?

As mentioned earlier, although the Pool-of-Funds approach was the one most often used in the past, the Gap Management approach is the predominant approach used today. Not only is it the most popular approach, but there are many microcomputer models available to help financial institutions measure their

gap positions.

We believe that the goal-seeking capability of management science, the risk measurement of gap management, and the hurdle rate aspect of the pool-of-funds approach are all important. Our banks use a microcomputer ALM model which combines all of the advantages of these various approaches while eliminating most of the disadvantages. The approach your bank chooses depends on what you feel most comfortable with and what makes the most economic sense from the standpoint of implementation and use. Later in this series, we will discuss microcomputer ALM models and their application in financial institutions.

Next Month

Beyond Gap Management and Getting to the "Heart" of Asset/Liability Management.

#### What's New

N ORWEST Corporation, Minneapolis, announced last month that it will install FORTE Financial Services System electronic banking software for its cash management customers.

Norwest is the first financial organization in the Upper Midwest to install this system. The FORTE system provides a wide range of global electronic banking and cash management services to Norwest commercial customers. Initially, Norwest will offer customer balance and transaction reporting and wire transfer initiation through the FORTE system.

"The new FORTE system provides us with a secure 'electronic window' that allows our customers direct access to Norwest's back office systems. With this system, we

can expand the services we offer to our customers by providing the latest in cash management technology," said Stephen C. Holahan, vice president of Cash Management for Norwest Banks.

The FORTE system allows a customer to increase their investment opportunities as a result of more timely and complete balance information. Also, the system enables commercial customers to access one source for all of their cash management information. Because FORTE operates within the bank's data processing center, the need for clients to deal with third party vendors in obtaining cash management information is eliminated.

FORTE software, developed by Advantage Systems, Inc. of Waltham, Mass., is designed to provide continuous normal processing operations, regardless of potential failure of hardware components. The system operates on the Stratus/32 computer.

Mr. Holahan said the FORTE

system is expected to become operational by the middle of 1985.

NEWLY available from Brandt, Inc., Watertown, Wis., is the Model 2751 Currency Scale. The Currency Scale is a compact, highly reliable unit capable of verifying strapped currency. The unit verifies strapped, pre-counted money with speed and accuracy without removing the strap from the pre-sorted notes.

The Model 2751 Scale combines the reliability of a mechanical scale with the sophistication and control of microprocessor technology. Suspect straps are immediately identified by "over" and "under" signals.

The Currency Scale, which weighs only 9 pounds, is 10 inches wide, 11 inches deep and 4 inches high, is ideal for small work areas.

In 1982, Brandt announced the addition of its vault and cash room supply line. Because of huge de-

#### Community bankers identify major

challenges ahead

- spread management
  - strategic planning
    - non-interest income

Written especially for
THE NORTHWESTERN BANKER
By JIM KOLTVEIT
Banking Industry Coordinator

Banking Industry Coordinator McGladrey Hendrickson & Pullen Rock Island, Ill.

W HAT are the major challenges facing community bank management today?

According to our recent survey of 227 community bank executives in 43 states, the three top concerns are spread management, strategic planning and generation on non-interest income. These concerns are followed closely by meeting increased competition, controlling expenses and new product/service development.

What makes these findings even more significant is the fact that the same first three issues also were given top priority by the CEOs of the nation's 2,000 largest banks in a 1983 survey conducted by our international consulting firm, which is the nation's largest regional

certified public accounting firm.

Community banks in this survey are defined as having assets of \$200 million or less, but a bank's size and the volume of its assets don't seem to change the challenges its executives face in the 1980s.

This is the third of our firm's Community Banker

*Series* studies, begun in 1980 to provide useful information about the accounting and reporting practices of community banks. The survey was last conducted in 1982.

Among the current survey's other findings:

• More than 95 percent of the respondents (96.28%) believe interstate banking will be a reality within five years. Two years ago, only 77 percent of community bankers held that belief.

• Nearly 75 percent of the respondents (74.79%) believe, however, that interstate banking will not be

beneficial to the banking industry.

• Slightly more than half responded that deregulation of interest rates has had a negative impact on their banks. And virtually the same percentage expect the long-term effects of interest rate deregulation will also be negative.

To follow-up on findings from the 1982 study, this survey also probed community bankers' views on bank regulators. Regulators received slightly better marks in this year's survey than they did two years ago.

Complete survey results have been published in a brochure titled *Community Bankers' View on Bank Regulation*, 1984. Copies are available through any McGladrey Hendrickson & Pullen office.

☐ McGladrey Hendrickson & Pullen serves more than 500 banks across the U.S. from more than 75 offices located from coast-to-coast. The firm offers a full range of financial and management consulting services.

#### MAJOR CHALLENGES IDENTIFIED BY BANKERS WERE:

	Number of Times Mentioned	Percent
Spread Management	106	21.03%
Strategic Planning	81	16.07%
Generation of non-interest income	77	15.28%
Meeting increased competition	72	14.29%
Controlling expenses	67	13.29%
New product/service development	60	11.91%
Marketing	37	7.34%
Other	4	.79%
Totals	504	100.00%

mands, the firm has expanded the supply line to include the Security

and Specialty Bag Line and Paper Products for financial institutions.



Model 2751 Currency Scale from Brandt

THE 1984 fall and winter edition of the Deluxe Computer Forms catalog and reference guide is now available from Deluxe Computer Forms, a division of Deluxe Check Printers, Inc., St. Paul, Minn.

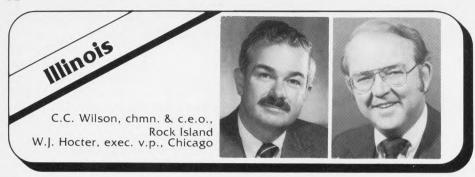
The 32-page, free, full-color catalog features checks, invoices, statements, computer stationery and other forms that businesses can custom design with special formats, colors, logos, typefaces and other features. The catalog also shows samples of Deluxe's standard-format forms. Deluxe makes 100 standard-format forms, which are compatible with more than 400 bookkeeping and accounting software packages.

Companion business envelopes matched with the appropriate Deluxe forms are available through the

The Deluxe Computer Forms catalog includes an exclusive eightpage, pull-out, software/forms compatibility guide. The guide makes it easy for businesses to identify the Deluxe forms guaranteed to be compatible with their software.

Any person interested in receiving the free Deluxe Computer Forms catalog and software compatibility guide can call Deluxe toll-free at

WHAT'S NEW . . . (Turn to page 51, please)



#### St. Louis to Host IBA Conference

HE ILLINOIS Bankers Association Annual Meeting and Bank Management Conference will be held November 28-29 at Marriott's Pavilion Hotel in St. Louis. Over 400 CEOs and senior bank managers are expected to attend the conference and hear presentations on a wide range of topics, including deregulation, the economy, the multibank holding company environment and the future of independent community banks. The IBA annual meeting will feature an address by IBA President Charles C. Wilson, plus election of association officers for 1985 and the introduction of next year's board of directors. The program schedule follows:

#### Wednesday, November 28

A.M.

8:00 Registration.

9:00 First general session. Presiding: Bank Management Committee Chairman Harry E. Cruncleton, president, Bank of Belleville. Keynote Address- "The Economics of Reality"- Dr. Barry Asmus, Boise State University, Ida.

"Tax Reform Bill 1984: The 9:45 Price of Having Withholding on Interest Repealed?"-Alan Alport, tax partner, Arthur Anderson, Chicago.

11:00 "Regulatory Update"-Bill Bosies, senior federal administrative counsel & director of federal agency relations, ABA.

P.M.

12:15 Luncheon and IBA annual meeting. Presiding: Charles C. Wilson, chairman & CEO, First National Bank of the Quad Cities, Rock Island, and

IBA president.

2:30 Concurrent breakout sessions.

> "Community Bank Viability"-Panel: Lyle P. Campbell, chairman, Peotone Bank & Trust Company; James L. Winningham, president & CEO, State Bank of Arthur, and Gordon D. Honegger, president, Morton Community Bank.

"Pricing Bank Stock"-Jerry Swords, president, Swords & Associates, Kansas City. Mo.

"Operating as and Existing Under a Multi-Bank Holding Company"-Panel: Gilbert E. Coleman, president & CEO, Security Bank & Trust Company, Mt. Vernon; James B. Watt, president, chairman & CEO, Mid America Bank Systems, Inc., Fairview Heights; Dennis Hackett, president, Community State Bank of Seneca, and Gregory Lykins, president, First Busey Corporation, Urbana.

Breakout sessions repeated. 3:45

#### Thursday, November 29

A.M.

7:30 Continental breakfast.

8:00 Early Bird Sessions.

"Pricing Bank Services"-Mike Chy, president, Personal Motivation Institute, Flossmoor.

> "Asset/Liability Management"-Wayne Grove, chairman, State Bank of Cuba.

> "Microcomputers"-David Kuhl, president, City Bank of Champaign.

9:00 Second general session.

"Consumerism: Implications and Opportunities for Financial Services"- Meredith Fernstrom, senior vice president/Public Responsibility, American Express Company, New York.

10:15 "Future Markets: From Families to Households" Roger B. Selbert, vice president, Security Pacific National Bank, Los Angeles.

11:00 "Increasing Bottom Line Results"-James L. Greene, chairman, Bank Management Resources, Inc., Chi-

Conference wrap-up and ad-11:45 iournment.

#### Aurora National Joins **Lender Commitment Program**

Aurora National Bank has allocated \$2.5 million for economic development as part of the Illinois Lending Commitment Program.

As part of the national Small Business Revitalization effort, Illinois has received commitments totaling more than \$1 billion from nearly 300 lending institutions. Administered through the Illinois Department of Commerce and Community Affairs, these funds will provide long-term financing to healthy small- and medium-sized firms seeking to expand or locate in Illinois.

#### Lane Banks Win Top Honors For Radio Commercial

W.N. Lane Interfinancial, representing the Lane Bank group of Northwest National Bank of Chicago, Northbrook Trust & Savings Bank, Lake View Trust & Savings Bank of Chicago and Pioneer Bank & Trust Co. of Chicago, received top honors in the international Bank Marketing Association's Best of Radio Competition.

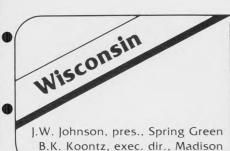
The 60-second radio commercial entitled, "Business Banking Double Talk" was produced in 1983 by Mandabach & Simms, the bank's agency, and continues to air on a number of Chicago radio stations. The advertisement stresses the banks' continuing commitment and ability to serve the financial needs of Chicago area businesses.

#### **Elected to Board** At UnibancTrust, Chicago

John W. Puth, chief executive officer and chairman, Imperial Clevite, Inc., has been elected a director of UnibancTrust Company and Unibancorp, Inc., Chicago.

DigitizeNorthwestern Banker, November, 1984

https://fraser.stlouisfed.org Federal Reserve Bank of St. Louis





#### Marine Corp to Buy Independence Bank Group

George R. Slater, chairman, CEO and president of The Marine Corporation, and W.J. Morrissey, chairman and CEO of Independence Bank Group Inc., Waukesha, have announced that an agreement in principle has been reached for Marine Corp to purchase the Independence Bank Group. If completed, the deal will be the largest combination of bank holding companies in Wisconsin's history.

The transaction, valued at \$52 million, has been approved by the board of directors of both companies. Specific terms of the transaction have not been made final. However, the proposal suggests that Independence shareholders would receive \$33 in cash per share or 1.188 shares of Marine's \$3 cumulative preferred stock.

The Marine Corporation is a Wisconsin bank holding company with 43 Wisconsin offices and additional offices in Chicago, Mexico City and Nassau. The Corporation has six bank-related subsidiaries engaged in trust related services, data processing, venture capital, leasing, credit card operations and mortgage banking. Based on deposits, the Corporation's lead bank, Marine Bank, N.A.,

state of Wisconsin.

Independence Bank Group, Inc. is a Waukesha based bank holding company with 17 banking offices in southeastern Wisconsin engaged in retail, mortgage and commercial

is the second largest bank in the

•banking, as well as trust management activities.

The acquisition is pending state and federal regulatory approval.

#### Two Promoted in Sheboygan

Rick Haendel has been promoted to vice president, marketing, and Craig Marvin has been promoted to vice president, systems and operations, of First Interstate Management Services of Wisconsin, Inc., Sheboygan, a subsidiary of First Interstate Corporation of Wisconsin.





R. HAENDEL

C. MARVIN

Mr. Haendel formerly was a financial services representative with the Marine National Exchange Bank of Milwaukee.

Mr. Marvin has served as systems and programming manager since 1980.

#### **Valley Acquisitions Told**

Gus A. Zuehlke, chairman of Valley Bancorporation, Appleton, has announced that approval has been received from the Federal Reserve Board for affiliation of The First National Bank of Rhinelander and Bank of Oregon with Valley. The Rhinelander affiliation was to be consummated on October 31 and the Oregon affiliation, which calls for an exchange of Valley stock for Oregon stock, will be completed in late November.

As of mid-year, The First National Bank of Rhinelander, with a branch in Lake Tomahawk, had assets of \$52.4 million. Bank of Oregon, located in Dane County, had assets of \$34.3 million on that same date.

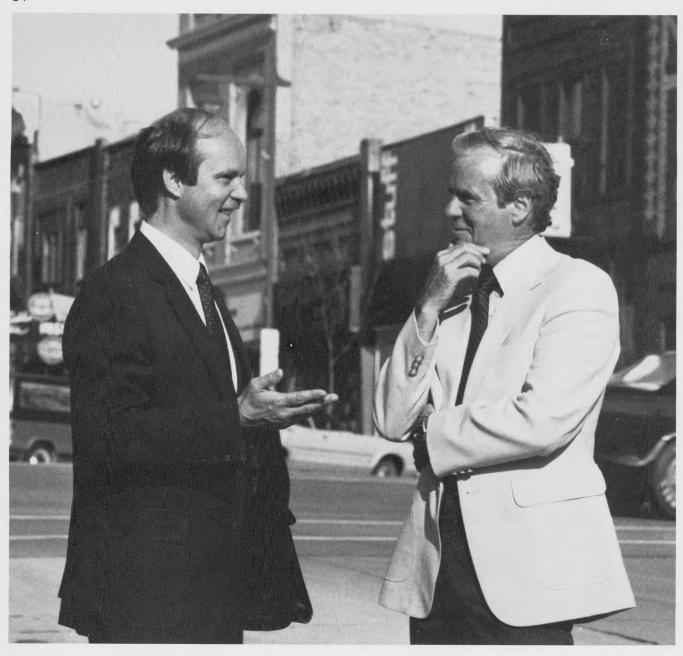
In a joint announcement by Mr. Zuehlke and Rowland J. McClellan president and CEO of BANCWIS Corporation, Janesville, the board of BANCWIS has accepted Valley's proposal to acquire all of the outstanding shares of BANCWIS Corporation. Under the proposal, holders of BANCWIS Corporation common stock would receive at their

WISCONSIN NEWS . . . (Turn to page 44, please)

#### Wisconsin Bankers Contribute to Barneveld Tornado Disaster Fund



THE Barneveld Tornado Disaster Relief Fund got help from Wisconsin bankers attending a Bank Security Conference in Green Bay in September. Ted Arneson (center), pres., Barneveld State Bank, accepts the \$1,530 check from Curtis Schwerin (right), chmn., WBA Bank Security Committee and ass't. v.p. and sec. off., Commercial and Savings Bank, Monroe. Mr. Arneson and Gary S. Harrup, pres. and sec. off., The Peoples State Bank, Mazomanie, shared their experience in putting the Barneveld Bank back in business following near total destruction by the June 8 tornado. The contribution represented \$10 from each paid registrant at the meeting. Michael Lomperski, assoc. dir. of WBA is at left.



#### We extend more than credit. We extend ourselves.

We believe it's the long-term relationship that counts. The kind of relationship that develops because we keep in touch with you, and travel to your part of the country. Learning about your community - its Main Street

business, seasonal fluctuation, and economic foundation - is important to us. In this way, we can better help you meet the needs of your community with overline or liquidity loans, and other services. Extending

ourselves for you is our way of life. Wherever you are, whenever you need us. Call us anytime for loan assistance and all Correspondent Banking services at 612/341-6561.



Correspondent Banking

# Minnesota

G.T. Pate, pres., West St. Paul T.L. Jeffers, exec. v.p., Minneapolis



#### Three Elected in Elbow Lake

Betty Lou Cravens has been elected vice president and cashier; Ginger Ricks has been elected vice president, and Janice Ellingson has been elected assistant vice president of the First National Bank of Elbow

Ms. Cravens' responsibilities will include funds management, personnel, auditing and security.

Ms. Ricks responsibilities will include lending, loan analysis and docm umentation, and compliance.

Ms. Ellingson will directly supervise the electronic data processing, and the teller & bookkeeping functions of the bank.

#### **Elected in Hopkins**

The board of directors of First Bank Hopkins has elected Mark

Magness commercial lending officer at the bank's St. Louis Park Office.

Mr. Magness began his banking career with First Bank Hopkins as a First Bank System



M. MAGNESS

professional development trainee in April of 1982. In that position, he has worked in the commercial, sales finance, personal banking, and real estate de-

partments of the bank.

#### One Joins Chaska Bank

James T. Gowan, president of the First National Bank of Chaska, has announced the addition of Ronald G. Brieher to its staff as assistant vice president and manager of the mort-

gage and real estate department. In the past 13 years, Mr. Brieher has held a managerial position in the installment loan department of Valley Bank & Trust in Grand Forks,

North Dakota, as well as having

been assistant vice president of the real estate department for First Bank Bismarck.

#### Appointed in Richfield

Barbara Zvorak has been appointed cashier of Richfield Bank &

Trust Co. In her new position, she will be responsible for retail operations, as well as serving on several management committees within the bank. Ms. Zvorak

years.



**B. ZVORAK** 

has been with the bank the past 19 years and she has served as an officer the past five

#### **New Name for Dorset Bank**

Mark Hewitt, president of Farmers State Bank of Dorset, announced last month that the bank has officially changed its name to Northwoods Bank of Minnesota, with offices in Dorset, Park Rapids and Nevis.

According to Mr. Hewitt, only the bank's name will be changed. There will be no change in ownership.

#### Five Advanced in Plymouth

The board of directors of First Bank Plymouth have announced the

following management changes:

James Cory to senior vice president and cashier. He began his banking career in 1970 with First Bloomington Lake National Bank as a management



J. CORY

trainee. He also is currently senior vice president and cashier at First Bank Hopkins.

Roger M. Janikowski to vice president and manager of the commercial lending area. He began his banking career in 1978 with First Bank Plymouth as manager of personal banking and is a graduate of Winona State University.

Richard R. Nelson to vice president and business development manager. He began his banking career with First Bank Duluth in 1971 in the installment lending area, and recently was the manager of First Bank Produce, St. Louis Park Office. He is a 1971 graduate of the University of Minnesota.



R.M. JANIKOWSKI

R.R. NELSON





S.M. HASTAD

L.M. PETERSEN

Sarah M. Hastad to assistant vice president and manager of retail banking. She began her banking career in 1966 at First Bank Minneapolis, and most recently was the assistant manager and personal banking officer for First Bank Hopkins, Minnetonka Office.

Lynn M. Petersen to operations officer. She began her banking career with First Bank Edina in 1978 and has been in the operations area at First Bank Plymouth since 1980.

#### Approval Received For Crookston/Shelly Merger

The Comptroller of the Currency recently approved the proposed merger of First American Bank of Crookston and State Bank of Shelly with The First National Bank of Crookston. The merger will be under the charter of The First National Bank of Crookston and the new title of the bank will be The First American National Bank of Crookston.





David A. Baumgarten has been promoted to senior vice president at

First Bank Saint Paul and will assume responsibility for the special industries group. Also at First Bank, Pamela L. Clayton has been promoted to vice president for human resources



D.A. BAUMGARTEN



P.L. CLAYTON

A.J. SMITH

and Arthur J. Smith has joined the bank as vice president of capital markets and treasury.

Before moving to First Bank Saint Paul, Mr. Baumgarten held several management positions at First Bank Minneapolis, most recently as vice president and division head of the manufacturing group.

Ms. Clayton has been with First Bank Saint Paul for 15 years, most recently as assistant vice president for human resources.

Prior to his current position, Mr. Smith served as assistant treasurer for the Dayton Hudson Corporation and as director of corporate finance and assistant treasurer for the Pillsbury Company.

Larry Anderson, president of Marquette National Bank at University, Minneapolis, has announced the appointment by the bank's board of **Kathy R**. Welle to vice president, retail division.

Ms. Welle held the title of vice president and cashier at Marquette State Bank of Columbia Heights prior to joining Marquette National Bank at University.

Ernest C. Pierson has been elected chairman and continues as chief executive officer while John R. Silseth has been elected president, chief operating officer and a director of Norwest Bank Midland, N.A. These management changes became effective October 1.

Mr. Silseth began his Norwest career in 1952 at the Lake Street office of Norwest Bank as an assistant vice president for commercial lending and business development. He was transferred to the main office in 1969 as assistant vice president of commercial lending. Mr. Silseth ad-





E.C. PIERSON

J.R. SILSETH

vanced to vice president and manager of their North American office in 1971 and was named executive vice president and a director of the Norwest Bank Rochester in 1976. He was named president and chairman of Norwest Bank Old St. Anthony in 1979 where he currently serves as president and chief executive officer.

Mr. Pierson began his Norwest career in 1965 at Norwest Bank Mid-

land as assistant vice president for commercial lending and advanced to vice president, business development, in 1967 and head of commercial lending in 1970. He was promoted to executive vice president and elected a director in 1975. Mr. Pierson was elected president and chief executive officer on October 1, 1982.

James A. Russell, vice president of American National Bank of St. Paul,

has been appointed manager of the correspondent banking department.

Mr. Russel joined American earlier this year with over 20 years of correspondent banking experience.



J.A. RUSSELL

In addition, Terry Hoffman, member of the Minnesota Public Utilities Commission and life-long resident of St. Paul, has been elected to the bank's board.

Richard L. Kuxhausen has been named assistant vice president, responsible for business development at the Federal Reserve Bank of Minneapolis.

Mr. Kuxhausen, 41, joined the bank in 1982 as an account manager and was named marketing development manager in 1983.

First Bank System Inc. recently announced several advancements and additions. **Duane E. White** has been elected senior vice president of corporate development and strate-

### FIRST. THE GOOD NEWS.

### Two Firsts make a force in correspondent banking.

First Bank Minneapolis and First Bank Saint
Paul Correspondent Banking Departments have joined
forces to become First Bank Correspondent Banking.
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correspondent banks in the region to create the newest,
biggest and most customer-driven correspondent
in the Upper Midwest.

What does that mean to you? It means you can draw on the largest credit resources of any correspondent in the Upper Midwest. It means you can build a solid banking relationship with the largest staff of

professional calling officers in the area. And it means you can rely on the resources of our banking officers to solve your specialized, multibank, agricultural and non-credit needs.

We reorganized to fit the changing banking world. You still need regular contact with our calling officers for bank stock financing, standard overlines and other credit

services, so we left that side of our organization unchanged. But, you also needed more and more advice about the rapidly changing world of deregulated banking. And so we're giving it to you.

We created three new specialty divisions within

our expanded correspondent department: A Multi-Bank Ownership Division, a Non-Credit Products Division and an Agriculture Production Credits Division. All of our specialty banking officers are experts in their own area *and* in correspondent banking. And that means that they, too, can operate directly with you on a regular basis, when you need them.

Also, First Bank Correspondent Banking officers have instant access to *all* of the resources and expertise of First Bank Minneapolis and First Bank Saint Paul. So you can get the expert banking advice you need

whether it's in international banking, consulting services, security sales and safekeeping, SBA loans, leasing, and much more. We even have an entire division that specializes in financial services for the new highgrowth, high-technology and service industries.

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stock and crops as they do about banking. They were raised on farms and ranches themselves. Their formal education stressed agriculture as much as finance. Their understanding of both fields enables them to work with you in providing farmers the resources they need to be fully productive.

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gic planning. Promoted to vice president were Cynthia N. Armstrong, financial reporting and accounting, and Laurel J. Hillier, financial systems. Catherine Whitaker Van Velzen has joined the staff as vice president and manager of human resources for the financial services division.





C.N. ARMSTRONG

D.E. WHITE





L.J. HILLIER

C.W. VAN VELZEN

Mr. White most recently was with the Chicago office of McKinsey & Company, where he was an engagement manager in the financial services area. He also was associated with Braxton Associates, Inc. in Boston, and the Comptroller of the Currency, Chicago.

Ms. Armstrong will continue as assistant controller and manager of reporting, a position she has held since 1982. Prior to joining FBS, she was with the Minneapolis/St. Paul office of Ernst & Whinney.

Ms. Hillier joined FBS in 1982 as an assistant controller and previously was with Wil-Rich, Inc., Wahpeton, North Dakota, as vice president and controller.

Ms. Van Velzen most recently served as an area marketing manager for Burger King Corporation. She joined the human resources division of Burger King in 1980 and prior to that time held positions in human resources for Target Stores and Soo Line Railroad.

FBS Insurance, Minneapolis recently announced that Dennis J. Medo has been named vice president, personal lines mass marketing, and Kenneth Schweiger has joined the staff as vice president of mass marketing and life insurance.

Mr. Medo previously was with CIGNA, where he has been since 1976. Mr. Schweiger joins FBS from ITT Life where he has been the institutional sales director since 1981.

St. Anthony Park State Bank has announced the election of Charles A.

Hannema as vice president.

Mr. Hannema received a bachelors degree in economics from Wheaton College in Wheaton, Illinois, and an MBA in finance from the University of Minnesota in 1984.



C.A. HANNEMA

Most recently, Mr. Hannema held the position of commercial banking officer and branch manager of First Bank St. Paul's Shoreview office.

First Bank Minneapolis recently announced several additions to the

bank's staff. Michael C. Snavely has joined as vice president in the international banking group; John M. Murphy, Jr. has joined as a managing director of first asmanageset



M.C. SNAVELY







**R.L. KNOWLTON** 

ment, and Richard L. Knowlton has been named to the board.

Most recently with Continental Illinois National Bank, Chicago, for 18 years, Mr. Snavely will manage the Latin America and Asia/Pacific division of First Bank Minneapolis.

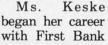
Mr. Murphy had been with Investment Advisors, Inc., a subsidiary of Dain Bosworth, for eight years, most recently as senior vice. president. Mr. Knowlton is chief ex ecutive officer at George A. Hormel & Co. as well as chairman of the

First Federal Savings, Minneapolis, has announced that J. Bruce Jacobson has joined the association as a senior vice president in charge of commercial banking. He will be responsible for implementing and directing the commercial banking activities at First Federal.

Before joining First Federal, M. Jacobson spent nearly 20 years in the commercial banking field, most recently as vice president-loan administration at Norwest Corporation. In this position, he was respon sible for developing all commercial banking policies and procedures for the 86 member banks of the Norwest system. Prior to that he spent over a dozen years directing the comment cial, real estate and consumer banking departments at Norwest Bank Central, in Minneapolis, and Norwest Bank Fargo. As a senior vice president at both banks he was responsible for directing all functions of these departments.

Three were recently promoted to officer status at First Bank Rob-

binsdale: Irene Keske, personal banking; Kenneth J. Peulen, commercial banking, and Marlene J. Berg, retail banking, teller manager.





I. KESKE







M.J. BERG

Minneapolis and joined First Bank Robbinsdale in 1961. Mr. Peulen started his career in 1974 at Bank of

Northwestern Banker, November, 1984

Minneapolis and Trust Company and most recently was commercial lender at the First Bank Minneapolis, Plymouth Office. Ms. Berg's career in banking started in 1959 at the Ogilvie State Bank. She joined the Robbins-dale bank in 1980.

At American State Bank of Bloomington, Robert J. Facente, Jr. has

been elected executive vice president; Joyce C.
 Lambrecht was named assistant
 vice president and cashier, and Joseph Rubbelke was named assistant loan officer.



R.J. FACENTE, JR.

Mr. Facente joined American





J.C. LAMBRECHT

J. RUBBELKE

State Bank in 1976 as a vice president. He is a 1971 business administration graduate of the University of Minnesota. Ms. Lambrecht joined the bank in 1973 and last December was named assistant vice president and manager of the newly opened Countryside Office. Formerly an instalment loan collector, Mr. Rubbelke joined the bank in 1983.

James R. Spicola has been elected to the board of directors of Norwest Bank Minneapolis.

Mr. Spicola is president and chief operating officer of Cargill, Inc., where he has been since 1954.

• William H. Sipple, president and chief executive officer of the United Financial Savings Bank, St. Paul, announced the opening of an office in the Minnesota Mutual Life Center, St. Paul. John E. Barry has been elected senior vice president; Thomas J. Resch, vice president; Dale J. Beastrom, commercial banking officer, and Gerrie Higgins, office manager.



First Bank Place, Duluth.



### First Bank Place Grand Opening Held

A RIBBON cutting ceremony was held October 15 to mark the grand opening of Duluth's First Bank Place. Participating in the brief program was Larry Gilb, president and CEO, First Bank, Duluth, Mayor John Fedo, and Darrell Knudson, vice chairman, First Bank System. October 15 also marked the 75th anniversary of First Bank Duluth's national bank charter.

Construction of First Bank Place, located on the corner of 2nd Avenue and West Superior Street, began late in 1982. It was built almost completely by local contractors and

with local labor, and uses Minnesota granite and energy efficient tinted glass. Highlighting the building is a three-story glass-enclosed atrium. The bank also houses a permanent art collection, featuring works of regional artists that include weaving, crafts, the traditional, representative, contemporary and modern.

First Bank Duluth occupies six floors of the complex, which will be connected to the skywalk system, including passage to Town Park parking facility. Entrances to First Bank Place are on Superior Street, Second Avenue West and Michigan

United Financial, headquartered in Rochester, has been in business since 1910 and will be celebrating its 75th anniversary next year. It has an asset size of \$430 million and has 16 offices located throughout southeastern Minnesota.

Mr. Barry has been in commercial banking for the past 25 years. He is a graduate of St. Thomas College and the Graduate School of Banking, University of Wisconsin.



J.E. BARRY



T.J. RESCH

Mr. Resch has been in commercial banking for 13 years and is a graduate of the University of Minnesota and Stonier Graduate School of Banking. Mr. Barry and Mr. Resch both were previously associated with American National Bank, St. Paul.

Mr. Beastrom is a graduate of St. John's University, and Mrs. Higgins has been associated with the banking industry for 10 years.



D.J. BEASTROM



G. HIGGINS





**LEFT**—Enjoying the conference reception were: **Charles Burke**, pres., BankWest, Pierre, S.D., and **Mary; Carl Pohlad**, pres., F&M Marquette, and **Eloise**, and **Bill Kirchner**, chmn., Richfield Bk. & Tr., Richfield, Minn. RIGHT—Welcoming guests to the reception were: **Lance Green**, mktg. dir.; **Don Pederson**, v.p., and **Joan**; and **Jack Campion**, v.p.

### **F&M Marquette Hosts Conference**

By STEVE BURCH Associate Publisher

&M MARQUETTE National Bank President Carl Pohlad welcomed over 150 bankers from a six state area to the bank's annual Correspondent/Investment Conference held in Minneapolis last month. Mr. Pohlad explained the conference theme-Perspectives '84-Banking on Performance and Profitabilityin his greeting. "In this complicated time for banks and bankers, perspective may be the foundation of our future success. A broad perspective increases our understanding of the present regulatory situation and improves our ability to deal with the nuances of today's economic reali-

Noted economist David Jones, senior vice president of Aubrev G. Lanston & Co., got the conference off to an optimistic beginning with his economic forecast. He admitted that he remains "amazed" at the strength of the current recovery. He also feels that the momentum of the record breaking real growth will carry the recovery through 1985 and well into 1986. He credits the monetary policies of Federal Reserve Board Chairman Paul Volcker for the reduction of the U.S. inflation rate from 13% to the current 3.8%. He added that the favorable environment of dropping oil prices, lowered raw material costs, and significant accomplishments in wage concessions and increased productivity combine to pave the way for the inflation rate to remain below 5% for the next few years. He closed by forecasting an 113/4% prime by year-end, rising to 13% in mid 1986

and then lowering to 12% by year-end 1986.

Kevin Costley outlined the advantages of owning 100% of a bank holding company in a very technical presentation entitled, "How to Utilize Your Bank Holding Company." A partner in the Lindquist & Vennum Law Firm, Mr. Costley is recognized as an expert in the fields of



**David Jones**, author of the Lanston Financial Letter and senior vice president with Aubrey G. Lanston & Co., presented some very optimistic forecasts.

mergers, acquisitions and bank reorganization. He offered several "squeeze out" techniques that could be used in gaining control of a holding company from minority stock holders, such as reverse stock splits and the creation of phantom bank mergers. However, he warned the bankers that regulators may not always approve of plans designed to eliminate a minority stock holder.

Switching to a completely different subject matter, Dr. James Reinersten addressed wellness, health promotion and the employee health/performance equation. A critic of

rising health care costs without an improvement in actual health benefit, Dr. Reinersten pointed out that 51% of the causes of death in the "Top Ten Causes of Death" category can be controlled by improved life style and health habits. "Statistics show that 98% of all men 45 years of age with good health habits will live to age 55. However, this number drops to 80% for those with poor health habits." He added that more people under the age of 45 die from automobile accidents than from all other causes combined. "Buckle Up! The use of seat belts provides an instantaneous result in the improvement of your health care." He closed by urging the bankers to promote good health habits among their employees. "Health promotion leads to a process of cultural change through which individuals become increasingly likely to choose healthy life style options."

Concurrent workshop sessions were conducted during the conference and the scheduling permitted attendance at three of the four sessions. The topics covered were: 1)

New Approaches to Bond Management; 2) IRAs/Profit Sharing Programs; 3) Asset/Liability Management: An Action Orientation, and 4)

Emerging Trends in the Agricultural Economy.

The bankers also enjoyed a dinner dance which featured Mr. Pohlad changing hats from his position of bank president to owner of the Minnesota Twins. He then took on the role of forecaster and predicted a very favorable year for the Twins in 1986 and invited all the bankers to buy season tickets.

Federal Reserve Bank of St. Louis





LEFT-1984-85 MBA District officers include: Dist. 3 Pres.-Arvid Evensvold, pres., First Natl. Bk., Hastings; Dist. 3 Past Pres.-Jim Graham, pres., Norwest Bk., Stillwater; Dist. 4 Pres. - Bob Torvik, pres., First Bloomington Lake Natl. Bk.; Dist 4 Past Pres. - Donavon Fisher, pres., The Roseville Bk.; Dist. 5 Past Pres.—Jim Hearon, pres., Natl. City Bk., Minneapolis, and MBA Exec. V.P. Truman Jeffers., RIGHT—MBA Treas. Scott Jones, pres., Goodhue Natl. Bk., Red Wing; MBA Pres. Galen Pate, pres., Signal Hill St. Bk., St. Paul; Dist. 1 Pres. Don Meiners, pres., Eitzen St. Bk.; Dist. 1 Past Pres. Dennis Cleveland, pres., Town & Country St. Bk., Winona, and MBA Vice Pres. Clint Kurtz, pres., Citizens St. Bk., Norwood.

### MBA Holds District Meetings

By STEVE BURCH Associate Publisher

ANKERS FROM throughout B the state recently attended the annual series of district meetings sponsored by the Minnesota Bankers Association. The half-day sessions included a review of state and federal legislative issues, an examination of the 1984 Bankruptcy Amendments, general business meetings and the election of 1984-85 district presidents.

MBA General Counsel John Jackson identified specific issues which the MBA Legislative Committee expects to review in preparation for the 1985 legislative session. He enocouraged the bankers attending the meetings to contact committee members or district presidents with

might have.

Perhaps the most controversial piece of legislation expected to surface lies in the anticipated return of an interstate banking bill. This remains a priority with Minnesota

any comments or suggestions they

• Governor Perpich and it is expected that he will once again push for some form of regional reciprocal interstate banking.

The number of recent bank acqui-• sitions by merger paves the way for a proposal to expand the state's detached facility law. It is expected that new legislation might call for an expansion from two to five in the • number of detached facilities and an increase from 25 miles to 50 miles in the distance limitation.

The MBA Legislative Committee will also consider introducing a proposal calling for the titling of watercraft. The proposed legislation sets up a system under which the owner of watercraft must apply to the Department of Natural Resources for a certificate of title under a system similar to that for motor vehicles.

Mr. Jackson cautioned that the section of the Uniform Commercial Code in Minnesota which provides special protection for agricultural lenders whose loans are secured by farm products may come under attack during the upcoming session. This could potentially further erode the protection of agri-lenders. He also called attention to a bill sponsored by the Minnesota Funeral Directors Association. This bill seeks the authority to use a master trust in which funds donated in connection with prearranged funeral plans can be placed. He cautions that this represents a draw on deposits from local banks and noted that a similar fund in Pennsylvania has grown to \$7 million.

MBA Executive Vice President Truman Jeffers followed by offering the bankers an update on the status of the Garn Bill in the U.S. Senate. That proposed legislation has since been thwarted by House Banking Committee Chairman St Germain. (See Northwestern Banker Weekly Newsletter October 1.)

MBA President Galen Pate, presi-

### **Minnesota Bankers Association** 1984-85 District Officers

### District 1

Pres.-Donald Meiners, Eitzen State Bank; Vice Pres.-Michael Halvorson. First National Bank, Waseca; Secr./ Treas.-Harvey Fossum, Goodhue State Bank.

### District 2

Pres.-Charles Greentree, Citizens State Bank, Silver Lake; Vice Pres.-Robert Barsness, Prior Lake State Bank; Secr./Treas.-Kermit Mahlum, First National Bank, St. Peter.

### District 3

Pres.—Arvid Evensvold, First National Bank, Hastings; Vice Pres.-Kenneth Nelson, Drovers First American Bank, South St. Paul; Secr./Treas.-Martin Chorzempa, Richfield Bank & Trust Co.

### District 4

Pres.-Robert Torvik, First Bank Lake, Minneapolis; Vice Pres.-Lawrence Anderson, Marquette National Bank at University, Minneapolis; Secr./Treas.-E. Roger Cunningham, North Star State Bank, Roseville.

### District 5

Pres.-Richard Klingen, Norwest

Bank St. Paul, N.A.; Vice Pres.-Ernest Pierson, Norwest Bank Midland, Minneapolis; Secr./Treas.-Dale Hanson, First Bank St. Paul.

### District 6

Pres.—Wallace Young, First State Bank, Onamia; Vice Pres.—Wesley Geurkink, Princeton State Bank; Secr./ Treas.-Dale Emmel, First Bank Sauk Centre.

### District 7

Pres.-Donovan Olson, State Bank of Wendell; Vice Pres.-Harley Aamoth, Belview State Bank; Secr./Treas.-Paul Gandrud, Jr., Swift County Bank, Ben-

### **District 8**

Pres.-Robert Alexander, Merchants & Miners State Bank, Hibbing; Vice Pres.-Jon Carlson, First Bank Cloquet; Secr./Treas.-Steven Wilcox, Grand Rapids State Bank.

### District 9

Pres. - Jerry Wendorff, First American Bank, Breckenridge; Vice Pres. - Rodney Nelson, First National Bank, Crookston; Secr./Treas. - David Aaberg, Pelican Valley State Bank, Pelican Rapids.





**LEFT**—Attending the MBA Dist 1 meeting in Rochester were: **Gary Hoehn**, sr. v.p., and **Ken Trom**, exec. v.p., First Natl. Bk., Blooming Prairie; **Joe Finley**, pres., Janesville St. Bk.; **Bob Schneider**, pres., Farmers St. Bk., Elkton, and **Ralph Nelson**, v.p., F & M Marquette Natl. Bk., Mpls. RIGHT—**Tom Mork**, v.p., First Burnsville St. Bk., **Jim Russell**, v.p., American Natl. Bk. St. Paul, and **Donavon Fisher**, pres., Roseville St. Bk.





**LEFT**—Pictured at the combined District 3-4-5 meeting were: **Greg Benson**, v.p., First St. Bk., Bayport; **Bev Kieffer**, corr. bkg. off., First Bk., Mpls.; **Keith Clements**, pres., First St. Bk., Bayport; **Sally Laux**, v.p., First Bk., Mpls; **Chuck Peterson**, v.p., and **Rick Traut**, v.p., Norwest Bk., Maple Grove. RIGHT—**Dewey Sennesth**, v.p., and **Wayne Prendegrast**, exec. v.p., FBS Information Serv., with **Dick Flesvig**, a.v.p., First Bk., St. Paul.

dent of the Signal Hills Bank in West St. Paul, presided at the evening banquet at each of the meetings. Following the dinner, the bankers were treated to a motivational presentation by Chris Christianson entitled, "Would You Like Working For You?"

### WISCONSIN NEWS . . . (Continued from page 33)

election and within some limitations, either \$29 per share or 1.3 shares of Valley common stock for each BANCWIS common stock. The acquisition is subject to negotiation of definitive agreements and all requisite corporate and regulatory approvals.

BANCWIS Corporation owns the Bank of Wisconsin, Bank of Evansville and BANCWIS Leasing Company, Inc.

### First Interstate Center Opens in Kohler

A brief ribbon cutting ceremony held September 17 marked the opening of First Interstate Center in Kohler. Its opening established a new corporate office for First Interstate Corporation of Wisconsin, the Sheboygan-based bank holding company formerly called Citizens Bancorporation. The two-story contemporary structure, which was built as part of Kohler's Village Center development, also houses a First Interstate personal banking center and several office suites which will be leased by other tenants.

Kay L. Magnus has been named personal banking manager of the First Interstate banking office in Kohler. Formerly personal banking officer at First Interstate Bank in Sheboygan Falls, Ms. Magnus has 12 years of experience with the company.

Also named to the staff of the Kohler banking office were Teri Strub as personal banking representative and Lisa Schleicher as teller. Both have transferred from the Sheboygan Falls bank.

### First Interstate Opens Downtown Milwaukee Office

A downtown Milwaukee office devoted solely to coordinating the fi-

nancial needs of commercial customers in southeastern Wisconsin, was scheduled to open early in November, according to officials of First Interstate Corporation of Wisconsin. First Interstate is the first bank holding company to establish such an office in Milwaukee.

The office will be staffed by Owen De Villers, regional senior vice president of the holding company. Mr. De Villers previously spent 25 years with Marine Bank.

Also staffing the Milwaukee office will be two vice presidents from First Interstate's Sheboygan office — Ellen Burzynski who has extensive experience in commercial and industrial real estate financing, and business banker Frederick M. Bowes II who worked for the company's affiliated bank in Green Bay before coming to Sheboygan two years ago.

An employee benefits representative of First Interstate Trust Company as well as an international banker, a credit analyst and support staff were also expected to be named to the Milwaukee office before its opening in early November.

### J. Haerter, pres., Hosmer J.M. Schwartz, exec. mgr., Pierre



### First Bank Aberdeen CEO To Retire in December

Jack M. Thompson, chairman and CEO of First Bank Aberdeen, will retire December 31, 1984. He began his banking career at First Bank Minneapolis in 1955 and has held a variety of positions with First Bank System and its affiliate banks, most recently as deputy chief executive officer of First Bank of South Dako-

sion. He held that position until being named to the Aberdeen post earlier this year.

ta and head of its northeastern divi-





J. THOMPSON

R. KLEIN

Also at the bank, Richard Klein has been elected vice president and manager of the instalment loan department. Mr. Klein started his career with First Bank system in 1958 in Aberdeen, serving most recently as vice president and manager of the retail banking center at First Bank Bismarck, North Dakota.

### Herreid Bank Remodeled, Celebrates 40th Anniversary

Campbell County Bank, Herreid, celebrated its 40th Anniversary and completion of the remodeling of its facility with a grand opening and open house last month.

The remodeling was started last spring and included utilizing more space to provide for four new offices, a kitchen, board room, storage area and computer room. In addition, provision was made for a drive-up window for future use. Inside, the bank features new carpet, wall covering and lighting. A new night deposit box was installed and the front of the bank received an entirely new facade.

### **Elected in Sioux Falls**

Mark A. Zweep was recently elected agricultural loan officer of

Western Bank North, Sioux Falls.

Mr. Zweep joined the bank's ag loan department in 1983 with over four years experience in rural lending. He is a 1979 graduate of South Dakota State.



M.A. ZWEEP

### Arlington President to Retire December 31

Robert Gunderson, president of Citizens State Bank, Arlington, will retire December 31 of this year. Wayne Fischer has been elected to suceed him as president. Mr. Fischer, currently vice president and senior loan officer, has been with the bank since May, 1983.

Mr. Gunderson has been with the bank the past 31 years and has served as president the past 14. He also has served as a director for 26 years.

### Appointed at SunBank

E.K. Wagner, chairman of Sun-Bank of South Dakota, Sioux Falls, has announced the appointment of Ed Collins as vice president in charge of operations. Previously Mr. Collins was with Norwest Bank, Sioux City, Iowa, and has been in banking for 21 years.

Mr. Wagner also announced the

appointment of Denny Erickson as insurance agent. Mr. Erickson has seven years experience in the insurance field and previously was with Wausau Insurance Companies.

### Mitchell Election Told

Leonard C. Koetter has been elected senior vice president of Commercial Trust & Savings Bank, Mit-

chell. He will serve as head of the lending function, a newly created position at the bank as well as supervising the commercial real estate and instalment departments.



L.C. KOETTER

Mr. Koetter
has been involved in banking since
1955 and has served as an officer of
Continental Illinois National Bank
of Chicago and Valley National
Bank of Phoenix, and as president of
the Exchange National Bank of Atchison, Kan. Most recently he was
self-employed as a banking consultant.

### Corsica and Platte Advancements Announced

First Bank of South Dakota recently announced that Donna L. Sprecher has been elected operations officer for First Bank Platte and First Bank Corsica and Dan Pranger has been advanced to assistant vice president, First Bank Corsica.



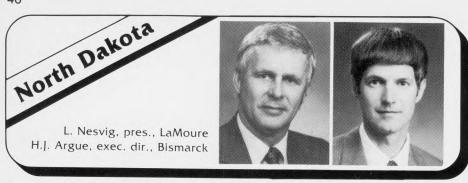


D.L. SPRECHER

D. PRANGER

Ms. Sprecher started with First Bank of South Dakota in 1973 and for the past four years has worked as an administrative assistant in the operations area.

Mr. Pranger comes to Corsica from First Bank Vermillion, where he has served as instalment loan manager since 1980.



### Les Nesvig Addresses Group Meetings

M ORE THAN 350 bankers attended the 1984 North Dakota Bankers Association Group Meetings held in September. Highlighting the meetings was a presentation by NDBA President Les Nesvig, president of the First State Bank of LaMoure, in addition to the election of new group officers.

In his president's speech, Mr. Nesvig focused on two general areas of importance to the association at this time: banking education and federal and state legislation.

In regard to education, Mr. Nesvig explained that an in-depth education needs assessment survey of member bank CEOs conducted last year, showed that there is a need for additional educational programs, besides the traditional programs currently being offered. Steps already taken to meet these needs include: the addition of specialized seminars in certain areas, and the hiring of a full-time professional education director. According to Mr. Nesvig, the NDBA also will be implementing the Professional Development Program, as developed by the ABA. The goals of PDP are to make banker education accessible to bankers across the nation, to provide that education in a more costeffective manner and to enhance the overall quality of banker education on a coordinated basis from coast to coast. The NDBA education committee will begin implementing this program in 1985 at the NDBA School of Banking in Grand Forks.

In regard to legislation, Mr. Nesvig touched on several areas. "As you are well aware, the NDBA has traditionally not taken a posture on branching or other structure change legislation at the state-level. We have remained neutral on this issue in order to not damage the other vital lobbying efforts that we conduct at the State Capitol.

As far as interstate banking is

concerned, Mr. Nesvig stated that once a proposed bill on interstate banking is forthcoming, the executive council will open discussion immediately on the issue and determine NDBA's stance. Until such a bill is drawn, however, there appeared to be little need to get into a theoretical discussion and adoption of posture based on many "what ifs."

"What we are saying is that when and if such a bill is drafted, it will immediately be addressed by your elected executive council," continued Mr. Nesvig. "I find it very unfortunate that certain individuals have stated for publication that by taking this preliminary stance of 'no position' that NDBA is encouraging the promotion of interstate banking. Nothing could be farther from the truth . . ."

In addition to legislative matters relating directly to banking, Mr. Nesvig told the membership that both ABA and NDBA have been active in stressing the need for definitive action in addressing the staggering federal deficits, and that the association had been involved in promoting a constitutional amendment that would require a balanced federal budget except under emergency circumstances.

During the meetings, the members present elected officers for the coming year. They are:

Northeast Group: President—Peter Nielsen, executive vice president, First National Bank in Grand Forks; Vice President—Terry Zeltinger, president, Towner County State Bank, Cando, and Secretary/Treasurer—Wally Martz, president, The Goose River Bank, Mayville.

Northwest Group President— Jerry Melby, president, First National Bank, Bowbells; Vice President—Gerals Long, president, State Bank of Bottineau, and Secretary/ Treasurer—Gaylen Melgaard, vice president, Farmers State Bank, Crosby.

Southwest Group President—Ron Keeley, vice president, United Bank of Bismarck; Vice President—Gary Flaa, president, Norwest Bank Mandan; and Secretary/Treasurer—Gertrude Buscher, executive vice president, Bank of Beulah.

Southeast Group President—Dick Solberg, president, State Bank of Fargo, Vice President—Lowell Anderson, vice president, First National Bank, Fessenden, and Secretary/Treasurer—Charles Feeney, president, Citizens State Bank, Enderline.

The four individuals elected as group presidents and the Southeast vice president will continue their service on the NDBA Executive Council until June, 1985. The other new vice presidents and the Southeast secretary/treasurer will begin two-year terms on the Association's Executive Council next June.

### **Grand Forks President Named**

Dennis D. Douville, executive vice president of Community National Bank of Grand Forks, has been named president. He succeeds Donald C. Miller, who has been advanced to chairman.

Both Mr. Douville and Mr. Miller have been with the bank since its founding in 1963.

### Nominees for 1985-86 NDBA Officers Announced

Nominees for officer positions in 1985-86 for the North Dakota Bankers Association have been announced by the nominating committee, according to committee chairman Darold Peterson, president of the Lakeside State Bank, New Town. During the NDBA Annual Meeting at Bismarck on June 11, 1985, the committee will propose the following candidates for the election by the general membership:

For president elect—Harvey Huber, Union State Bank, Hazen;

For vice president/treasurer— John Pierson, Norwest Bank Minot.

Additional nominations may be made from the floor for either of these positions. The office of NDBA president for 1985-86 will automatically be assumed next summer by current president-elect, Bill Sanger, First Bank, Wahpeton.

### Independents Hold Convention

VER 200 members, spouses, associate members and guests attended the 17th annual convention of the North Dakota Independent Bankers held in September in Bismarck. Theme for the convention

was "ICBND-The Single Voice for Independent Banking.

Highlighting the convention was the election of new officers. John Brown, executive vice president, Farmers & Merchants Bank, Wimbledon, was elected ICBND presi-•dent. He succeeds James Walth, president and CEO, The Union Bank, Halliday. New vice president is Gary S. Nelson, vice president,

Scandia American Bank, Stanley.



**ICBND** President John Brown

Dr. Barry Asmus, professor of economics, gave the keynote talk at the opening session Thursday morning and received a standing ovation from the ICBND membership.

B.F. (Chip) Backlund, first vice president of the Independent Bankers Association of America, delivered the "inspirational" message that, "Community bankers CAN

survive, but they have been brainwashed into thinking they cannot. Mr. Backlund stressed the importance for bankers to take a more assertive role in changing, and the

need to concentrate on more personalizing of services. Also the importance of lobbying efforts, education, new technology, pooling resources, commitment to PACs, and the ad-

vantages of a one-bank holding company.

The convention program included other speakers on the subjects of Self-Esteem, Stress/The Silent Kil-

• ler and Tools to Manage Stress,

Dynamics of Color (and how it motivates you). Congressman Byron Dorgan talked about what's on the horizon for independent banking in the halls of Congress and what deregulation means for the independent community bank. Two panel discussions highlighted the convention program - "Farm Finance and Policy," featuring Dr. Robert J. Tosterud, senior economist, Joint Economic Committee of Congress. Washington, D.C. and the Asset/ Liability & Financial Management

Elected to serve as directors were: Northeast-Terry McNea, president, Farmers & Merchants Bank, Hatton, and Kelley E. Dakken, president, Drayton State Bank.

Northwest-Tom Lavik, vice president, Williston Basin State Bank, and C.W. Folkert, executive vice president, Peoples State Bank, Velva.

Southeast-Rick Pederson, president, Page State Bank, and Gary Justesen, executive vice president, Litchville State Bank.

Southwest-Kurt F. Zerr, president, Bank of Hazelton, and Gene Hamilton, vice president, Farmers & Merchants Bank, Beach.

Executive director for the association is Arlene Melarvie and general counsel is Albert A. Wolf.

### First Bank System **Acquires Wahpeton Agency**

The Metropolitan Insurance Agency, Wahpeton, Inc., has been acquired by First Bank System, Inc., Minneapolis. The agency will become part of the company's existing local agency, First Insurance Wahpeton.

Monte Hanson, former owner of the Metropolitan Insurance Agency. will join First Insurance Wahpeton as an agent. First Insurance Wahpeton is managed locally by Arlo Kil-

### Office Automation Thrust Of ABA National Conference

Sharon Wehner, assistant vice president of Bank of North Dakota, Bismarck, recently attended the ABA National Conference on Human Resources held in New Orleans September 16-19.

Office automation was the thrust

of the conference which included sessions on employment at will, flexible benefits, training for new technology, comparable worth, employee assistance programs and an update on affirmative action.

### Mandan Announcements Told

Jay C. Feil has been promoted to assistant vice president, commercial loan department, of Norwest Bank Mandan, N.A. In addition, Gary A. Hoots has joined the bank's staff as agri-business loan officer.

Mr. Feil has been with the bank since 1983 in the commercial loan department. Mr. Hoots has been associated with Production Credit Association of Grafton since 1980.

### **Lidgerwood Director Elected**

William M. Sanger has been elected to the board of directors of First Bank Lidgerwood. Mr. Sanger currently serves as president of First Bank Wahpeton and as chairman and CEO of First Bank Wheaton, Minn. The First Banks of Wahpeton, Wheaton and Lidgewood are member banks of First Bank System, Inc.

### First Bank Fargo Names New Senior V.P.

Gary Gibson has been named senior vice president of First Bank Fargo. Previously vice president/ cashier and chief operations officer of First Bank Helena, Mont., Mr. Gibson will also assume responsibilities in the Southern North Dakota Region, including Fargo, Bismarck, Jamestown, Valley City, Wahpeton and Lidgerwood.

Mr. Gibbs had been with First Bank Helena since 1977.

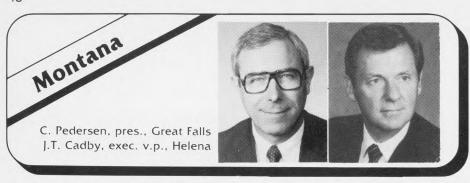
### A.L. Garnaas Honored

### For 50 Years in Banking

A.L. (Alf) Garnass was recently honored by the North Dakota Bankers Association for his 50 years of service in North Dakota banking.

Mr. Garnaas joined the Farmers and Merchants Bank of Shevenne in 1934 and has been with that bank ever since. In 1959 he was elected president of the North Dakota Bankers Association.

In honor of his 50 years of work, Mr. Garnaas received a plaque from the association at the NDBA Southeast Group Meeting held recently in Valley City.



### First Bank Havre V.P. Named

James A. Borszich has been named second officer and vice presi-

dent of First Bank Havre, according to an announcement by James Mirehouse, president and managing officer.

Until recently, Mr. Borszich was president and managing



J.A. BORSZICH

officer of First Bank Corsica, South Dakota. He also has served as assistant vice president and assistant manager of First Bank Presho and First Bank Gettysburg, South Dakota.

### Two MBA Seminars Announced

The Montana Bankers Association and American Bankers Association are co-sponsoring a Security Management Seminar to be held December 3 at the Colonial Inn, Helena.

Jerry Kenna, president of Profit Protection, Inc. of Miami, Fla., will conduct the seminar. Each participant will receive a comprehensive reference manual to assist them in implementing the policies and procedures taught during the session.

The MBA Education Committee has also announced the sponsorship of a Loan Documentation Seminar to be held December 7 at the Holiday Inn Billings.

This program is designed for all bank personnel involved in documenting loans and will include an analysis of Article 9 of the Uniform Commercial Code.

### **New Commissioner Named**

Fred Napier, formerly president of First State Bank of Stevensville, has been named to succeed Les Alke as Montana's commissioner of financial institutions.

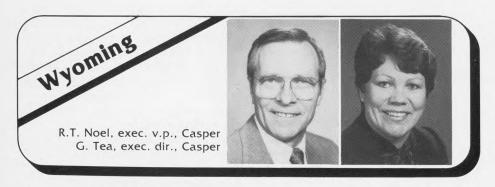
Mr. Napier has served as president in Stevensville since 1982 and prior to that time was vice president at First Security Bank in Havre. He also served as a bank examiner under Mr. Alke at the Department of Business Regulation (now the Department of Commerce).

Mr. Alke, who retired September 1, has been in the bank examining business 31 years.

### **Elected in Great Falls**

Steve L. Feurt has been elected assistant vice president and commercial loan officer of Central Bank of Montana, Great Falls, according to James D. Hopkins, president.

Mr. Feurt started his banking career at Security Bank, N.A., Billings in 1977. He transferred to First Citizen's Bank, Billings, in 1977.



### **Riverton President Named**

John R. Benesch, formerly president of American National Bank of Riverton, has accepted appointment as senior vice president for marketing and public relations at American. He is succeeded as president by Dan Lewis.

Mr. Benesch, who first indicated his desire to step down as president of American four years ago, accepted the new appointment in October.

Mr. Lewis, 38, previously was president of Dubois National Bank for four years.

### **New Lovell Bank Opens**

The new Lovell National Bank opened its doors the middle of October with a three-day grand opening celebration.

Gary Jinks has been named president. Other bank staff members include: K.C. Petersen, cashier; Tami Baxendale, secretary to the president; Bobi Jo Leonhardt and Keela Mangus, new accounts representatives; Annie Mickelson, vault teller; Cindy Rael, teller, and Becky Korell, bookkeeper and proof operator. The open house also gave the people of Lovell a chance to tour the newly

remodeled building located on East Main Street.

### Laramie Election Announced

American National Bank, Laramie, recently announced the election of Kelly Cowper to instalment loan officer. He has been with the bank since July of this year and will serve in the consumer lending division.

Mr. Cowper graduated from the University of Wyoming in 1982.

### **Wheatland Director Elected**

Larry G. Lebsack, Wheatland farmer and livestock feeder, has been elected to the board of directors of First National Bank in Wheatland.

### Named in Rock Springs

John Allan has been promoted to assistant vice president of First Security Bank of Rock Springs.

Mr. Allan, who has been in banking and finance for eight years, is a mortgage loan officer in charge of real estate at the bank.

### Colorado C. Kern, pres., Denver

C. Kern, pres., Denver D.A. Childears, exec. mgr., Denver





### President Appointed at New Central Bank of Westminster

Kirk L. Maze has been appointed as president of the new Central Bank

of Westminster N.A., soon to be located at West 88th and Harlan.
Mr. Maze

most recently was vice president and commercial loan manager of United Bank of Cherry Creek



K.L. MAZE

N.A. and has also served as manager of loan analysis at United Bank of Skyline N.A., vice president of First Bank of Westland N.A. and manager of Capital Financial Services, Inc.

The initial facility for the new Central Bank of Westminster was scheduled to open October 5 inside the Westminster Mall. Ground breaking for the permanent bank building will occur in October with completion expected early in 1985.

### Three Elected in Denver

James R. Cowgill, Patrick B. Ruckh and William F. Scott were re-

cently elected vice presidents of First Interstate Bank of Denver.

Mr. Cowgill, named vice president, trust officer and manager of corporate trust, returned to First Inter-



J.R. COWGILL



P.B. RUCKH



W.F. SCOTT

### United Banks of Skyline Names Senior Vice President

United Bank of Skyline, Denver, recently announced the promotion of Janice L. Campbell to senior vice president and manager of commercial lending, responsible for the daily commercial lending activities of the bank. Ms. Campbell previously was with United Bank of Denver, serving as vice president and manager of correspondent banking.

### **Denver Officer Promoted**

The board of Colorado National Bank - Boulevard, Denver, recently promoted Vadene Mitchell to the position of banking officer.

Mrs. Mitchell has six years banking experience. She joined the bankin January, 1982, having previously

been associated with Colorado National Bank - Northeast.

### **Longmont President Named**

United Banks of Colorado, Inc. has announced the promotion of Amos C. Lawrence to president of United Bank of Longmont.

Mr. Lawrence joined United Banks in May of 1969 and most recently served as executive vice president of United Bank of Fort Collins.

state of Denver in August from Langer Mortgage Co. in Oakland, Calif., where he has served the past year.

Mr. Ruckh joined the bank in May, 1974, in the data processing department and presently serves as manager of the newly formed bank systems department.

Mr. Scott recently joined the bank as vice president, trust officer and manager of the personal trust portfolio management department after more than 17 years with Hanifen, Imhoff, Inc., of Denver.

### Promotions Announced at Colorado National, Denver

At Colorado National Bank of Denver, Charles W. Smedly, Jr. and Lee D. Bowen have been promoted to vice president and Kenneth D. Brown was promoted to assistant vice president.





C.W. SMEDLEY, JR.

L.D. BOWEN

Promoted to officer status were Sandra D. Villarreal, systems coordinator in the financial and retail services area; Jack C. Wyman, Jr., project manager on the implementation and conversion to the Hogan System in the management information systems area, and R. Gary Lantis, collections unit supervisor for rocky mountain bankcard system.

Mr. Smedly, with 31 years banking experience, manages the corporate trust administration division. Mr. Bowen has been with the bank seven years. Mr. Brown, with ten years banking experience, joined the bank in July of this year.

### Central Bancorp. Approves AmeriTrust Investment

George B. McKinley, president and chief executive officer of Central Bancorporation, Inc., Denver, announced last month that the proposed investment in their organization by AmeriTrust has been approved by the Board of Governors of the Federal Reserve System. AmeriTrust will purchase a non-managing, limited partnership interest in a partnership which owns 95 percent of CBI.

Mr. McKinley stated, "This transaction will give Central Bancorporation additional capital for the planned expansion of our banking network across the state. This will mean greater banking services for our customers."

There will be a continuation of the

current directors and management of CBI and of the 22 CBI member banks.

AmeriTrust Corporation is an Ohio-based bank holding company with total assets of \$5.8 billion at December 31, 1983. CBI is a statewide Colorado banking network with assets of \$1.7 billion at December 31, 1983.

### **Arvada President Named**

James F. Marsico was recently named president and chief executive officer of the First National Bank of Arvada. He succeeds J.W. Randall. who has been promoted to chairman.

Mr. Marsico was president of Colorado National Bank - Aurora for two years and was formerly executive vice president of Colorado National Bank - Arvada, where he was employed for sixteen years.

Randall joined the First National Bank of Arvada in 1957 as cashier and was named president in 1970.

### Central Bank of Denver **Advancements Announced**

Central Bank of Denver recently named three new vice presidents,

four new assistant vice presidents and three new officers.

Named vice presidents were James L. Poole, William 0 Schurr and Kimberly Willard.

Poole Mr. joins Central



J.L. POOLE







K. WILLARD

Bank after almost five years of banking experience in Illinois and Oklahoma.

Mr. Schurr joined Central in 1982 and previously was vice president for 13 years at Mountain States Bank and consumer credit manager at Columbia Savings for four years.

Ms. Willard has served as man-



G.A. REKER



D.A. EVANS



L. HENDRICKSON

D. MC MEEKIN

ager of new product development and director of retail planning and product development since joining Central in 1982. She has also worked for ComBanks Corp. of Orlando, Fla., Gunstream Industries, Denver and Southeast Bank of Miami.

Promoted to assistant vice president were Gwendolyn A. Reker, Darlene A. Evans, Lynn Hendrickson and Diane McMeekin.

Promoted to officer status were: Mary Margarete Walker, corporate trust officer; Sally R. Steiner, personal trust officer; Mark D. Ryan, retail banking officer.

### **Executive V.P. Named At** Colorado Bank & Trust

E. Clay Speas has joined First Colorado Bank & Trust, Denver, as

its executive vice-president and number two man

Mr. Speas, who has more than 15 years experience in banking, previously was with First Interstate Bank of Denver, where



E.C. SPEAS

he served as senior vice president and corporate group manager in charge of correspondent banking, agri-business, affiliated banks and national accounts. He was with the bank for approximately three years.

He also was with United Bank of Denver for more than 11 years.

### Officers Elected at **United Bank of Denver**

United Bank of Denver recently announced several officer elections.

Named executive vice president were Jed J. Burnham, manager of the energy & minerals and real estate banking groups; Robert H. Dressel, manager of the regional and corporate banking groups; Michael J. Fowles, chairman of the bank loan committee and manager of the mettropolitan banking group, and Thomas W. Swanson, manager of the Denver Metropolitan Region United Banks.





J.J. BURNHAM

R.H. DRESSEL





M.J. FOWLES

T.W. SWANSON

In addition, Thomas W. Honig, manager of the real estate banking group, Peter E. Hosokawa, manager of corporate business development and cash management, and Malcolm O. Ruxton, manager of consumer banking group sales and services, were named senior vice president.

John E. Backlund and James C. Colegate were named vice presidents. Promoted to office positions were: Catherine M. Hewins, man ager in the bank's operations area; Leroy Payne, commercial banking in the metropolitan banking group's construction and transportation market, and Robert A. Stumbaugh. commercial banker in metropolitan banking's construction and transportation market.

Mr. Burnham has been with the bank 14 years. Mr. Dessel has been a member of the bank's staff more than 17 years. Mr. Fowles joined United Bank of Denver in 1968. Mr. Swanson has been with United Bank for almost 20 years.

### WHAT'S NEW ...

(Continued from page 31)

1-800-328-0304. In Minnesota, call 1-612-483-7300.

AKTRONICS, INC., Brookings, South Dakota, has introduced several new products to the advertising world.

The Starburst<sup>TM</sup> Animated Color Message System, at an affordable price, uses a quad pattern of red, blue, green and clear incandescent lamps for both outdoor and indoor applications. The pattern of four colored lamps combine to blend into 16 different shades at a distance. The color system is controlled by a proven reliable Venus 4000 color system and is capable of graphics and animation advertising cartoons. The Starburst<sup>TM</sup> system is presently

available in a variety of sizes up to 128 points high by 128 points wide to be controlled by either the Venus 4000 color or by the new Venus 5000

5000.

Daktronic's first Starburst™ four-color message and animation system was recently designed and manufactured for the Edgewater Hotel and Casino in Laughlin, Nevada. It is 20 feet high, 60 feet long and is mounted 80 feet above ground. A total of 6,144 lamps are used in the display and it is designed so that all servicing, including lamp replacement, can be performed from the internal catwalk system in the mounting structure.

Daktronics has also introduced a new product for information display systems. The Venus 4000 Video Image Reader is now offered as an option for the Venus 4000 message/animation controller. The Venus 4000 controller is a computer system used for creating and storing sequences on floppy disc that are to be displayed on Daktronics message/animation centers. Striking graphics

mation centers. Striking graphics and animated characters are now easier to create with the Venus 4000 Video Image Reader. The system is ideal for converting complex images

into a dot matrix format so it can be displayed on a lampbank. The image reader is capable of converting images as large as people and objects as small as one inch squre into dot
 images.

OSLER data safes for the protection of information processing and computer media are the

latest additions to their line of record and money safes for modern

business applications.

Mosler data safes are rated to protect floppy discs - the most sensitive of all computer media. They have passed the German Braunschweig Fire and Impact Test - one of the toughest in the world. During this test, the safe, with all computer materials inside and under simulated fire conditions, is subjected to an outside temperature of 1832°F. It is then dropped 30 feet (equivalent to a four-story building) and reheated to 1832°F. During this procedure, monitors assure that the inside humidity does not exceed 85% and the temperature 125°F. Contents of the safe are then tested for performance.



**Mosler Data Safes** 

Mosler data safes are available in four sizes - the outer dimensions of the smallest are 41.2''H x 33.6''W x 35.2''D; the largest 79.2''H x 46''W x 35.2''D. A full line of interior arrangements is available to meet virtually any user storage requirement. All accessories can be installed in the field and can be easily adjusted as storage requirements change.

In addition to a complete line of physical security protection, Mosler offers proprietary security communications, access control, alarm, energy management, life/safety and video surveillance equipment for vir-

tually any type facility.

For further information about Mosler Data Safes, write Mosler, Department PR-324, 1561 Grand Boulevard, Hamilton, Ohio 45012. Mosler is an operating unit of American Standard Inc.

A NEW microcomputer software package from ETS Systems, Inc., Chicago, allows banks and savings and loans to track sales measurement information with an easily

managed in-house program.

The ETS "Star-Trak" program is designed to run on IBM or similar fixed-drive microcomputers. The program combines current monthly sales activity with previous month's records for comprehensive readouts including sales analysis and compensation; cross-sales ratios by employee, branch, region and institution; lead product and source-offunds; rankings by employee and branch, and referral summaries.

Ellen Scherr, president of ETS Systems, said Star-Trak was designed for the operations, marketing and training departments of banks as an alternative to costly time-sharing arrangements on large main-

frame computers.

"There are two main drawbacks to time-sharing, which until now has been the industry standard," Ms. Scherr said. "One is the cost, which can run from \$2,000 to \$4,000 a year. And for each new account—checking, savings, certificates of deposits, or whatever—this means an additional fee of 45 cents for each transaction.

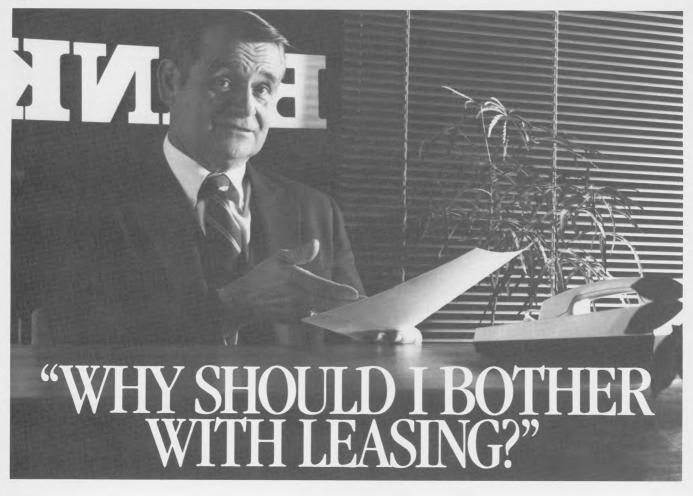
"The other problem is turn-around time. With Star-Trak, banks have the capability of managing their own in-house system, so reports can

be generated immediately.'

Star-Trak is priced at \$6,000, which includes software and operating manuals. Customized reports are available. ETS Systems is marketing services and management consulting firm specializing in sales management, sales measuring and incentive compensation programs for the financial services industry.

A CTRON, INC., Elk Grove Village, Illinois, has introduced a new AutoGuide Drive-in Traffic Control System. An advanced microprocessor system, the AutoGuide directs waiting customers at the drive-in to available teller lanes. Customers are served on a first-come, first-served basis and the work load is spread evenly among all of the tellers.

The AutoGuide System is easily installed in new or existing driveins. It provides customers with a smooth-running, efficient, and congestion-free drive-up. For detailed information on ACTRON'S Auto-Guide System, please contact: Actron Inc., 1351 Jarvis Avenue, Elk Grove Village, Ill., 60007. Phone (312) 364-4810.



Good question. And at Banclease, we just happen to have six good answers:

INCREASED PROFITABILITY Equipment leases are generally

more profitable to make than conventional loans due to the tax benefits you can receive.

 $2^{\,\text{BROADER CUSTOMER SERVICE}}_{\,\text{You get an edge on your competi-}}$ 

tion by offering equipment leasing as a complement to your existing banking services.

### 3 YOUR CUSTOMERS SAVE MONEY

Lease rates are normally lower than conventional loan rates, which allows your commercial and agricultural borrowers to conserve working capital.

NO FEES OR COSTS

4 Through Banclease, you escape the legal, accounting, staffing, marketing and operational expenses

associated with creating your own leasing department.

### 5 WE UNDERSTAND YOUR NEEDS

We are not consultants or brokers. We're bankers. And as one of the oldest and largest bank-affiliated leasing companies in the Midwest, we understand equipment financing.

6 YOU'RE IN CONTROL
Banclease handles the paperwork - documentation, billing, accounting, etc. - but your customer deals only with you.

Leasing works. And Banclease can make it work for your bank. Call Scott Morris toll-free, or write today:

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1-800-642-9907

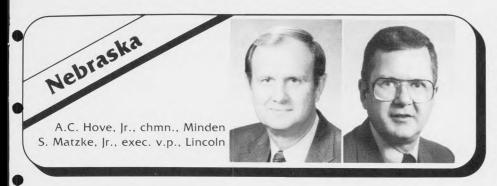
In all other states,

1-800-228-4411

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Federal Reserve Bank of St



### **Swanton Bank Purchased**

Controlling interest in the Bank of Swanton has been purchased by Thomas D. Bass, 27, president of the bank, and his father, Dean Bass, from James D. Krantz, president, First National Bank in Bayard. In addition, the balance of the stock was purchased by Dee Ann Schwisow, vice president an cashier.

Mr. Bass began his banking career at the Bank of Chadron in 1978 while he was a student at Chadron State College. After his graduation in 1979 he joined the First National Bank of Chadron, then moved in October, 1979, to Sioux National Bank in Harrison. On August 1, 1981, he transferred to the Bank of Swanton as executive vice president, then became president in December of that year.

Dee Ann Schwisow joined Bank of Swanton in 1971. She was elected assistant cashier in 1975, advanced to cashier in 1979, and was also elected vice president in 1982.

Bank of Swanton, located in Saline County in southeastern Nebraska, has approximately \$5 million in assets.

### ●Bellevue Addition Announced

Tri-County Bank and Trust, Bellevue, has announced the return of Linda S. Balash as assistant vice president. Ms. Balash has spent the last year-and-a-half with Bank of Bellevue.

### 20-Year Banking Veteran Joins Ogallala Bank

Gordon Larson, a Nebraska banker for the past 20 years, has joined the First National Bank in Ogallala as vice president in the bank's loan department, announced Larry Callen, chairman.

Mr. Larson's past experience includes nine years with the North Platte State Bank and nine years with the First Security Bank in

Sutherland, where he served as president prior to leaving the bank to pursue personal business interests.

In addition, Douglas M. Barnell has been promoted to agricultural loan officer.

### Hallam Bank Promotes One

The board of directors of the Hallam Bank has announced the promotion of Shirley J. Aksamit to assistant cashier.

### Rejoins Geneva Bank

Dennis A. Devine, president of the

Fillmore County
Bank of Geneva,
has announced
the return of
James W. Georing, vice president, after one
year and four
months with The
State of Alexandria.



J.W. GOERING

### Fremont Approval Received

After making application in June of this year, First National Bank &

Trust Company of Fremont has received approval from the Comptroller of the Currency, the FDIC and the State of Nebraska to merge with First Savings Company of Fremont. Effective September 22, First Savings Company, located at 23rd and Clarkson, became First National North, a full-service office of First National Bank.

### Verdigre Bank Fails; Reopens as Neligh Branch

The Bank of Verdigre & Trust Co. was declared insolvent by Director of Banking Roger Beverage September 19 and was turned over to the FDIC for liquidation. The FDIC immediately announced that The National Bank of Neligh (33 miles south) had agreed to purchase selected assets and assume all the approximately \$12.6 million in deposits so that all depositors were fully protected.

The lone office of the failed bank reopened September 20 as a branch of The National Bank of Neligh. Kirk C. Cisler, vice president of Neligh, has been named manager of the new branch.

### Norfolk Banker Elected To Nebraska Diplomats

Marlene Ahrenholtz, senior vice president and cashier of the Bank of Norfolk, recently was elected to serve as a member of the Nebraska Diplomats. The Diplomats is a volunteer organization of civic and business leaders interested in promoting Nebraska's industrial and economic development.

### **Hastings Bank Featured for Design**



HASTINGS State Bank's new facility opened in 1981 and designed by The Clark Enerson Partners of Lincoln, was featured in the summer 1984 edition of Mallet & Froe. The bank's architecture and design were recognized for having an image of responsible progressiveness and for the manner in which the building complemented its environment. Features noted in the article include the bank's roof line and the way it mirrors the sloped roofs of neighboring churches and residences; the large greenhouse waiting area, and its trelliscovered and brick-paved walks.



Following its monthly meeting, the board of directors of American National Bank announced the election of Allan G. Lozier as new board chairman and of John J. Cavanaugh as a new member of the board. In addition, John M. Shonsey retired from the board.

Mr. Lozier, who is chairman of the Lozier Corporation, has been serving on the bank's board of directors since 1983. He replaces Board Chairman John M. Shonsey wh had been active on the board since 1964. Mr. Shonsey announced his retirement from the board, which follows the sale of his interest in the bank in September, 1983.

A graduate of the Creighton University Law School, Mr. Cavanaugh is associated with the law firm of Kutak Rock & Huie. A member of the Nebraska Legislature from 1972 until 1976, he served in the House of Representatives from 1976 until 1980.

The following promotions were announced by Norwest Bank Omaha, N.A.: Thomas L. Patton and Myron H. Peterson to vice presidents; Debra Kraft Lutton to business banking officer; Donald W. Weber to second vice president; Janet S. Connelly to sales finance officer, and Irene DeBuse to operations officer.

After completing four years in the U.S. Airforce, Mr. Patton worked for a finance company as a manger for seven years. He began working at Norwest Omaha in December, 1972, in the installment loan department. He was named assistant cash-

ier in 1974, consumer lending officer in 1977, assistant cashier/manager of the commercial installment department in 1980 and second vice president in 1982. Mr. Patton is in the business banking department and will be located in the Regency office.

Mr. Peterson, manager of the credit department, began working at the North Dakota State University in 1976 as a research assistant. He





T.L. PATTON

M.H. PETERSON





D.K. LUTTON

D.W. WEBER





J.S. CONNELLY

I. DEBUSE

joined Norwest Bank Omaha in 1978 as a credit trainee and was promoted to correspondent banking officer in 1979. In 1981, he became credit officer and in 1982 was promoted to second vice president.

Ms. Lutton joined Norwest Bank in July of 1974, was named operations officer in November of 1979 and was promoted to credit officer in

Weber started with the Comptroller of the Currency as an assistant national bank examiner in September, 1977, and was promoted to a national bank examiner in Octo ber, 1982. He joined Norwest Bank Omaha in November, 1983.

Ms. Connelly joined Norwest Bank Omaha in 1966 in the installment loan department. She was promoted to commercial installment counselor in 1975.

Ms. DeBuse, manager of the loan product servicing area, started her career with Norwest Bank in March of 1969. She most recently was named loan accounting supervisor in February of 1981.

The following promotions were announced by Norwest Capital Management & Trust Company Nebraska: Ronald G. Weber to executive vice president and Stephen Stroud to vice president.





R.G. WEBER

S. STROUD

Mr. Weber graduated from the Univeristy of South Dakota in 1967 with a BSBA and completed the National Graduate Trust School in 1977. He joined Norwest Corporation in 1967 as a management trainee.

Mr. Stroud graduated from the University of Iowa with a BS in 1975 and obtained his JD from Creighton University in 1979. From 1979 to 1980 he worked for attorneys in Spencer, Iowa, and in 1980, he moved to the Norwest Bank of Sioux City as vice president and managing trust officer. He joined the Omaha staff August 1, 1984.

Federal Reserve Bank of St.



Don Ostrand



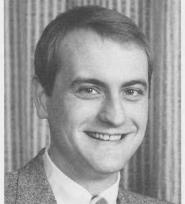
Ralph Peterson



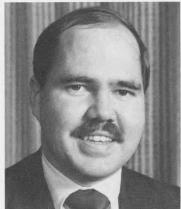
Jim Flodine



Fred Kuehl



Gerry Tomka



Tom Jensen

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financial technology at their fingertips dispensing professional, dependable, confidential service.

So call us for the answers to your correspondent banking questions — on electronic data processing, cash letter processing, overlines,

fed-fund transactions and more.

In Nebraska, call 1-800-642-9907. Outside Nebraska, call 1-800-228-9533. You'll get the answers from us, the answer men.



F. Phillips Giltner, president of First National Bank of Omaha, has

has been elected a member of the International board of directors of VISA.

Mr. Giltner received this appointment during the 1984 summer meeting of VISA International held in



F.P. GILTNER

Venice, Italy. He presently is a board member of VISA, U.S.A.

### Talk To The Municipal Bond Professionals



William March President



Robert E. Roh Executive Vice President



Patrick H. Rensch Senior Vice President



C. W. (Chuck) Poore, Jr. Senior Vice President



A. William (Bill) Abts, Jr. Vice President



Wayne A. Rasmuss Secretary-Treasurer



Micky Krupinsky Representative

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### Nebraska Share Group Joins ITS, Inc.

THE Nebraska Share Group, comprised of 17 savings and loans with combined assets exceeding \$5 billion and 300,000 cardholders from more than 150 branches, has agreed to join ITS, Inc., the Des Moines, Iowa, based regional switch that provides electronic funds transfer services to savings and loans, banks and credit unions in Nebraska, Iowa, Illinois, Missouri and South Dakota.

The Nebraska Share Group member financial institutions are: Commercial Federal Savings and Loan Association, Conservative Savings, First Federal of Omaha and Occidental Savings, Omaha; American Charter, Provident Federal and Lincoln Federal, Lincoln; Equitable of Columbus, Columbus; Equitable of Fremont and Nebraska Savings, Fremont; Midwest Federal, Nebraska City; Pioneer Federal, Plattsmouth; Home Federal Lexington, Lexington; Custer Federal, Broken Bow; Home Federal of Grand Island and Equitable of Grand Island, Grand Island; and First Federal of York, York.

Among the reasons cited by Nebraska Share Group spokesmen for selecting ITS, Inc. over other EFT service providers were ITS' financial stability, years of experience in operating one of the most successful EFT systems in the nation, total commitment to sharing of terminals

and cost effectiveness. The Group referenced ITS, Inc.'s reductions in switch transaction fees and recent \$297,000 rebate to participating financial institutions.

The Nebraska Share Group endorsed ITS, Inc.'s philosophy of total EFT sharing and its efforts to broaden terminal access for card-holders of participating financial institutions in the Midwest. The Group's participation in the ITS, Inc. network automatically includes access to national linkups such as Nationet and CIRRUS.

With the addition of the Nebraska Share Group, the ITS, Inc. network will consist of 268 participating financial institutions with 748 terminals in Nebraska, Iowa, Illinois, Missouri and South Dakota. During the month of August, nearly four million transactions were processed by ITS, Inc. and its participating financial institutions.

ITS, Inc. President Dale A. Dooley said, "I am very pleased that the Nebraska Share Group selected ITS as its EFT switch." He added that the agreement with the Group reflects ITS' policy to continue expanding its operation beyond the state of Iowa and said that participating in the ITS, Inc. network is available to all financial institutions in Nebraska, South Dakota, Minnesota, Illinois, Missouri and Iowa.

### Scottsbluff Teller Celebrates 40th Year

Esther Haas, a teller with First State Bank, Scottsbluff, celebrated her 40th anniversary with the bank on September 25. The bank honored her with a surprise party that evening.

Unbelievable as it sounds, Ms. Haas has never called in sick in her 40 years at the bank. She plans to retire December 31.

### Missouri H.C. Files For Credit Card Bank

Commerce Bancshares, Inc., a Missouri based multi-bank holding company, has filed an application with the Comptroller of the Currency to establish Commerce Bank of Omaha, N.A., Omaha, for the express purpose of issuing enhanced credit card products to the midwestern region.

The proposed bank would be located within three miles of the vicinity of Pacific and 72nd Streets and have a total capital of \$2.5 million. The bank would be the first bank chartered in Nebraska by an out-of-state holding company as a credit card bank, recently authorized under Nebraska statutes.

### Norwest Bank Omaha Files Merger Application

Application has also been filed with the comptroller by Norwest Bank Omaha to merge with Norwest Bank Omaha South, with Norwest Bank Omaha as the survivor.

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Put your trust in the correspondent specialists of The First Team. Fast. Knowledgeable. Backed by more than 113 years of strength and experience as Lincoln's largest bank.

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Member, F.D.I.C.





LEFT-NBA Marketing Committee Chairman Vollis Summerlin, v.p., First Natl. Bk., Omaha, (center) with speakers Dennis Driscoll, v.p. FISI, Nashville, and Steve Barger, v.p., Hawkeye Bancorp., Des Moines. RIGHT—John Miller, NETS, Lincoln; Randy Shelden, a.v.p., First Natl. Bk., York; Jayne Schack, oper. off., First Natl. Bk., Albion, and Marlene Ahrenholtz, v.p., Bank of Norfolk, participate in panel discussions. sion on marketing ATMs.

### NBA Sponsors Marketing Conference

By STEVE BURCH Associate Publisher

OLLIS SUMMERLIN, Nebraska Bankers Association marketing committee chairman, welcomed nearly 100 bank marketers to the annual NBA marketing conference held in Kearney recently. The twoday session included roundtable discussions, hands-on workshop sessions, and presentations from marketing and advertising professionals.

"How to Create the Successful Marketing Environment" was the topic addressed by Steve Barger, vice president and director of sales/ marketing, Hawkeye Bancorporation. Headquartered in Des Moines, Hawkeye is a \$1 billion multi-bank holding company with 37 member banks located throughout Iowa.

Mr. Barger began by establishing that, as management has historically been the key to success within the banking industry, professional sales management is the key element required when implementing a sales organization in the bank. He outlined several personality traits most often associated with successful sales managers and sales people. He cautioned that even though an employee may possess these profile traits, it is not guaranteed that the person will necessarily be successful in a sales career. However, if the outlined characteristics are lacking in the employee's profile, it is doubtful that he or she would succeed in a sales environment. The sales ability and "comfort zone" level of each bank employee could be determined through personal conferences with the employees, he suggests. Sales training techniques and the development of a marketing plan were also included in his presentation.

Jim Prange, director of market-

ing, Adams Banks, Ogallala, Gordon Thiessen, assistant director of marketing, Gateway Bank & Trust, Lincoln, and Chris Peterson, senior partner, Evaluation and Training Consultants, Lincoln, comprised a workshop panel which focused on the importance of tracking and monitoring marketing efforts. "People do what is inspected rather than what is expected" was the subtheme of this segment.

The panel suggested that the following benefits will result from sales tracking: 1) Sales standards and goals will be established; 2) Tracking enables objective appraisal of



Murray Raphel, pres., Murray Raphel Adv., Atlantic City, N.J., discusses advertising layout and direct marketing concepts.

sales performances; 3) Individual accountability is established; 4) Immediate feedback is provided; and 5) It motiviates employees to sell. The panel summarized that sales tracking can precisely calculate the return on marketing and training investments. Key elements in a successful tracking or monitoring system include support of top management, employee involvement, training and followup, and frequent feedback.

Noting that direct marketing is

currently the fastest growing advertising medium, Murray Rapher shared with the bankers various techniques which he feels will improve an advertisement's effectiveness. Mr. Raphel is president q Murray Raphel Advertising, Atlantic City, and is well known through his articles which appear regularly in bank marketing publications. He has also published several books on advertising layout and design.

"Direct marketing is a 'why' not a 'what' medium which requries your heart, mind and soul. You first put your heart into an ad by believing in your bank or product. You must put your mind into the ad by making it intelligent. And finally, in your soul you must believe that through the ad you have established a relation

ship with your customer."

Mr. Raphel emphasized that 75% of the time spent on ad design should be spent on developing the headline and consequently sperin much of his presentation focusing on the elements of effective headlines. His suggestions included the seven rules for headlines first offered by David Ogilvy, founder of Ogilvy and Mather advertising agency. Headlines should: 1) promise a benefit; 2) inject a maximum amount of news; 3) include the brand name; 4) induce the reader to read the subhead; sell; 6) be comprehensive, and 7) headlines should never be tricky or irrelevant. He then reviewed a number of bank ads which had been sent to him in advance by banker attending the conference. He offered alternative layouts using the same amount of space, showing how the headline techniques discussed earlier improve an ad's visibility on newspaper or magazine page.

Mr. Raphel was also the featured speaker at the NBA Area Bankers Dinner which was included as a segment of the marketing conference.

### Lincoln News

The board of directors for the Commerce Group Companies approved the following officer promotions at their September board meeting: Joan Cromwell to assistant audit manager and Cathy Morrissey to loan review and general audit officer.





J. CROMWELI

C. MORRISSEY

Ms. Cromwell joined Commerce Group in June, 1980. She was previously employed by Peat, Marwick, Mitchell & Co. and holds a Certified Public Accountant's certificate issued by the State of Nebraska.

Ms. Morrissey joined Commerce Group in August, 1983. Before joining Commerce Group, Ms. Morrissey spent three years as an examiner for the Comptroller of the Currency, Tenth National Bank Region.

### Bruce Lemon Resigns At Norwest Bank Norfolk

Bruce Lemon resigned his position as senior vice president at Norwest Bank Norfolk, N.A., Norfolk, to accept appointment as president of Farmers & Merchants Bank in Colby, Kan. The Kansas bank has \$75 million in assets.

Mr. Lemon began his banking career in 1969 with Norwest Bank Sioux Falls, serving in various officer positions in marketing corres-

Pondent banking and commercial lending. He was graduated from South Dakota State University at Brookings with a BA degree in economics and received his MBA from

• the University of South Dakota in Vermillion. He also completed studies at the Bank Marketing School in Boulder, Colo., and the ABA Commercial Lending School at • Norman, Okla.

After serving 12 years with Norwest in Sioux Falls, Mr. Lemon was transferred early in 1981 to Norwest Bank Norfolk as senior vice president.



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### First National Bank

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Affiliate of First Midwest Bancorp., Inc.



**NEWLY-ELECTED** NIBA officers for 1984-85 are: Sec'y—**Tom Grove**, sr. v.p., Packers Natl. Bk., Omaha; Immed. Past Pres.—**Bonnie Peterson**, pres., Campbell St. Bk.; 2nd Vice Pres.—**Ron Yaley**, pres., Nebraska St. Bk., South Sioux City; Pres.—**Mark Buckley**, pres., First Natl. Bk., Wilcox, and 1st Vice Pres.—**Fred Otten**, pres., Commercial St. Bk., Hoskins.

### Mark Buckley to Head NIBA

By STEVE BURCH Associate Publisher

NDEPENDENT BANKERS from around the state met in Grand Island last month for the 3rd annual Nebraska Independent Bankers Association convention. Highlighting the convention activities was the election of Mark Buckley to serve as NIBA president for the 1984-85 year. Mr. Buckley is president and chief executive officer of the First National Bank in Wilcox. Other officers elected to serve are:

First Vice President—Fred Otten, president, Commercial State Bank, Hoskins; Second Vice President—Roy Yarley, president, Nebraska State Bank, South Sioux City; Secretary—Phil Giltner, president, First National Bank of Omaha, and Treasurer—Tom Grove, senior vice president, Packers National Bank, Omaha.

Director of Banking Roger Beverage reviewed his first nine months in office with the bankers. "Actually it

seems more like nine years rather than just nine months," he stated referring to the unresolved circumstances surrounding the failed Commonwealth Savings industrial thrift. Mr. Beverage revealed that prior to assuming his duties, the department of banking had operated in reactive mode. "Historically, bankers have had very little say in the direction taken by the department of banking." As a result, one of the first steps taken by the former executive director of the Nebraska Bankers Association was the formation of a "kitchen cabinet." Made up of 12 bankers representing a crosssection of the commercial banking industry within the state, Mr. Beverage hopes the newly formed group will provide continuity and improved structure to the banking department.

Noting that he must wear the two hats of both regulator and receiver in the Commonwealth fiasco, Mr. Beverage extended a plea to the bankers for their assistance in dealing with the matter in the upcoming legislative session. "I believe that Commonwealth has become a cancer to the financial services industry and must be cut-out." He also noted that despite his continuing efforts with the media, the public remains confused on the distinctions between a commercial bank and the failed industrial thrift.

The director of banking looks to the next legislative session as an opportunity to update existing 50-year-old banking laws with a comprehensive bill dealing with commercial banks, savings and loan associations and credit unions. He added that he expects nothing to happen on interstate banking in the session. "The governor lost last time and he knows it." He does expect a review of branching, however.

During the question and answer period following his prepared remarks, Mr. Beverage was challenged by a number of the bankers present on statements that appeared in local newspapers following the recent closings of the David City Bank and the Bank of Verdigre & Trust Company. In both cases he pointed out that he was quoted out of context and in one instance was even credited for comments which, in fact, came from the president of one of the failed institutions.

FDIC Associate Director Charles Thacker directed much of his presentation to the considerable response generated by the interim and permanet assistance given by FDIC to the troubled Continental Illinois National Bank. He pointed to Continental's necessity to rely upon volatile funding sources as a key contributor to its problems and, following the Penn Square failure, funding sources became even more volatile. The FDIC was critical of Continen-





**LEFT**—Convention speakers included Director of Banking **Roger Beverage**, FDIC Associate Director **Charles Thacker**, and FDIC Regional Director **Paul Rooney**. RIGHT—The Leffler family was well represented by **Chuck**, **Jr.**, pres., Security St. Bk., Holbrook, and wife **Sheila** and **Hermine** and **Chuck**, **Sr.**, pres., Sioux Natl. Bk., Harrison.



Mic Brosius Bank of Stapleton



Russ Rabeler Farmers State Bank, Dodge



Chuck Leffler, Jr. Security State Bank of Holbrook



Jim McGinness Farmers State Bank, Plymouth



George Haase, Jr. Crofton State Bank



Willard Behrends State Bank of Elk Creek



Randy Burns Home State Bank, Humboldt



Meredith Williams First State Bank, Beaver City



Jerry Puritan First National, Wisner



Don Bell Crawford State Bank



Marsha Wilhelm The Dawson Bank, Dawson



Wayne Hoskinson The Sioux National Bank, Harrison

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A wholly-owned subsidiary of the National Bank of Commerce Trust & Savings Association NBC Center, 13th & O Streets, P.O. Box 82408, Lincoln, Nebraska 68501 (402) 472-4440/Member FDIC tal's delay in responding to the Penn Square failure and notes that when top level management changes were eventually made, they were all made from within the bank.

Mr. Thacker stated that basically the FDIC had four options that could be exercised: 1) The bank could be allowed to fail; 2) A merger could be arranged; 3) A plan of permanent direct assistance could be implemented, or 4) Temporary assistance could be provided until circumstances stabilized. He was quick to note that if the bank had been allowed to fail, hundreds of small banks would have been particularly hard hit. "Approximately 2,300 small banks had almost \$6 billion at risk in Continental. Sixty-six banks had in excess of 100% of their equity capital at stake while another 113 banks had between 50% to 100% of their total equity capital at risk." He added that the temporary assistance rescue plan paves the way for a smaller, strongly capitalized bank, comparatively free of problem loans. and less dependent on volatile funding. "As a result, the bank will be positioned to continue to serve the full range of banking needs of its customers."

Switching to another topic, Mr. Thacker reinforced the FDIC's cam-

paign calling for increased market discipline on the part of the public. "Market discipline calls for the public, specifically the prospective depositors and general creditors of banks to receive and analyze financial information concerning financial institutions and base their decision to deposit or invest funds in a particular institution on the soundness of that institution instead of relying solely on interest rates."



IMMEDIATE Past President Bonnie Peterson receives a recognition plaque from newly installed NIBA President Mark Buckley.

In closing he assertd that the FDIC will continue to emphasize its role as insurer of all banks and deemphasize its role as a general purpose regulator of the state bank. "We are currently cutting back on examinations of small, well-managed, nonmember banks, allowing the states to pick up the load."

"Tax Considerations in Debt Restructuring" was the title of the talk given by John Cederberg, CPA. Touche Ross & Co., Lincoln. He prefaced his prepared remarks, however, by addressing earlier questions relating to inaccurate and misleading reports in local media. He advised that, in a technical sense, journalists tend to be out of their element in business situations. He urged all of the bankers to spend some quality time with the local media to prevent misunderstanding. "Often, we do not read what they thought they wrote."

In turning to his subject matter he warned the bankers to consider the "true debt" when restructuring a credit. He noted that if a debt is cancelled it could present a disadvantage to the borrower in the form of taxable income. He gave many examples of restructed debts where incorrectly valued collateral had caused additional problems with the





LEFT—IBAA President Jack King and his wife Almeda visit with Tom Grove, sr. v.p., Packers Natl. Bk., Omaha, and Andy Svengard, pres., Arlington St. Bk. RIGHT—Greeting guests to the reception sponsored by First National Bank of Omaha are: Jim Flodine, 2nd v.p.; Ralph Peterson, v.p.; Don Ostrand, v.p.; Gerry Tomka, corr. bkg. rep., and Fred Kuehl, 2nd v.p.





**LEFT**—Luncheon speaker **Jim Riley**, v.p., Natl. Cattlemen's Assn., Denver, visits with **John Green**, pres., Wauneta Falls Bk., **Jim Bohart**, pres., Harvard St. Bk., and **Vic Michel**, pres., Henderson St. Bk. RIGHT—**Pat Conway**, a.v.p., Packers Natl. Bk., Omaha, with **Elaine** and **Bob Duden**, exec. v.p., Washington County Bk., Blair.





**LEFT**—Winners of the Texas Scramble golf tournament were: **Jeff Okrina**, acct. exec., Travelers Express Co.; **Sandi Peterson**, asst. cash., Western St. Bk., Waterloo; **Bob Conrad**, pres., Sidney Natl. Bk., and **Chuck Leffler**, **Jr.**, pres., Security St. Bk., Holbrook. RIGHT—Enjoying the reception prior to the Western Steak Fry were: **Kurt Yost**, NIBA Exec. Dir.; **John Green**, pres., Wauneta Falls Bk.; NBA President **Skip (D) ove**, chmn., Minden Exchange Bk. & Tr.; **Stan Matzke**, NBA Exec. Dir., and **Art Fritson**, v.p. State Bk. of Hildreth.

IRS following foreclosure proceedings. He also cautioned that the IRS is taking a renewed interest in below market interest rate loans and intrafamily gift loans. He urged the lenders to consider professional advice during restructuring to avoid unfavorable surprises after the fact.

The wrap-up of the 98th Congress prevented Congressman Doug Barnard from attending the convention as scheduled, however, Dick Peterson, legal counsel to the House Fi-• ance Committee, was on hand to offer a review of the action taken (or not taken, as the case may be) during the session. He reminded the bankers that the defeat of the with-Rolding at source legislation was accomplished in the 98th Congress. "Bankers did a big service to this country by not allowing withholding at source to become law," he praised. He also reminded the bankers that the 1984 Bankruptcy Amendment Act was a product of this session.

In looking ahead to the 99th Con-



LEGAL counsel to the House Sub-committee on Finance Dick Peterson offered the bankers an update on the 98th Congress and did some speculating on things to look for in the next session.



**IBAA** President **Jack King** traveled from Kalispell, Mont. to address the convention.

gress, he echoed the comments of earlier speakers by suggesting that the problems surrounding the FDIC rescue of the Continental Illinois tend to make lawmakers "skittish" toward further deregulation of the banking industry. Nonetheless, Mr. Peterson does expect a major banking reform bill to be passed during the next session. He warns that the lawmakers may also consider a reduction in the current FDIC \$100,000 limit.

IBAA President Jack King, president, Valley Bank of Kalispell, Kalispell, Montana, urged the Nebraska bankers to participate in the IBAA backed "hot wire" blitz designed to encourage President Reagan to extend the moratorium on non-bank charters. The IBAA used the joint statement issued by Senator Garn and Congressman St Germain which specifies that a July 1, 1983 grandfather date for non-bank charters will be used in any future legislation as a springboard for the blitz.

Immediate Past President Bonnie Peterson was recognized a number of times during the convention for her leadership of the past year. Highlighting the accomplishments of the year were: the hiring of Kurt Yost as full-time executive director; the formation of investment, legislative and strategic planning committees, and establishing office facilities in Lincoln.

### Display Sign Designed By Grand Island Company

"It's as if we've moved into the 21st century," is the way Robert Harth, Los Angeles Philharmonic Association general manager, describes the new electronic display sign the association installed to promote activities at the world-famous Hollywood Bowl.

The display features a 1500 Messenger Full Matrix Display System designed and built by Electronic Display Systems (EDS), a division of Chief Industries of Grand Island. It is supported by a 20 foot high, 30 foot wide, monument-like pedestal of sierra white granite.

The EDS 1500's more than six by 15 foot message board contains 7,680 bulbs and over 30 miles of wiring to display up to five lines of double stroke characters. The board is linked to its 512 kilobyte computer by telephone line.

The message center's graphics are what impress most, however. The 1500 uses a graphics tablet to reproduce everything from animated cartoons and photographs to cursive writing, according to Dan Johnson, EDS president.

### **Creston Branch Opens**

The Creston Branch of Farmers National Bank of Madison officially opened last month. It is located at 238 Pine Street in Creston.

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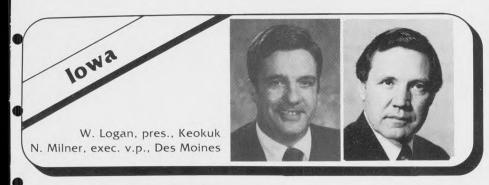
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### **Promoted in Cedar Rapids**

Merchants National Bank, Cedar Rapids, recently announced several

promotions.

Promoted to vice president were: Jerry D. Strait, trust division, financial services products; Thomas J. Watson, personal banking division, and Jimmie D. Hen-



J.D. STRAIT





T.J. WATSON

J.D. HENLEY

ley, systems and procedures group.

### Joins Clinton Bank

Raymond E. Meister has joined Clinton National Bank as assistant vice president in charge of the agricultural loan department.

Mr. Meister joins the bank after serving seven years with the Production Credit Association in Perry.

### Ronald Larson Elected President in Knoxville

Ronald D. Larson has been elected president, CEO and Trust officer for

Trust Company of Knoxville. He succeeds Dean Hicks, who has not yet announced his future plans.

Mr. Larson previously was senior vice presi-



R. LARSON

dent and cashier of the Brenton National Bank of Perry and prior to that time served at Brenton banks in Urbandale, Dallas Center and Vinton.

### **Colfax Executives Elected**

The First National Bank of Colfax has announced the election of John Goodenow as president and Jerry Piper as executive vice president and chief operation officer, to take place immediately with the resignation of Dean Schantz, the bank's president. Mr. Schantz will continue to live in Colfax, but intends to pursue other interests.

Mr. Goodenow, of Wall Lake, is presently a director of the First National Bank. Mr. Goodenow was formerly with the FDIC and is presently serving as the chief executive officer of several Iowa banks.

Mr. Piper moved to Colfax from Grand Island, Neb., where he was a vice president of the Omaha National Bank.

### Peoples Bankshares Purchases Britt Bank

R.K. Sverdahl, president of Peoples Bankshares, Ltd., Waterloo, has announced that Bankshares has purchased controlling interest of the First State Bank, Britt. The purchase was effective September 27.

Mr. Sverdahl and Britt Bank President Gary Northrup stated that no additional changes in officers or staff are planned. The First State Bank of Britt has total assets of \$36,691,000.

### Construction Begins On Plaza State Bank Facility

Construction has begun on the new Hickman Road office of Plaza State Bank in Des Moines.

The new 3,000 square foot office will offer four drive-in lanes, easy in and out access, ample parking, safe deposit boxes and the same hours of-

fered at the present location in addition to regular full service banking. Plaza State officials expect the new facility to open in January of 1985.

### Maquoketa State Senior V.P. Killed in Accident

Mary Ann Trevathan, senior vice president and trust officer, Maquoketa State Bank, was killed September 29 in an automobile accident. In addition to being senior vice president, she was head of operations and in charge of the bank's investment portfolio.

Well known in banking circles, Ms. Trevathan was currently serving as president of the Northeast Iowa Chapter of the BAI and had been a state officer of NABW. She also was an instructor for banking courses offered through the community college and others.

### **ABA/IBA Co-sponsor Seminar**

Approximately 70 bankers from around the state attended The Security Management Seminar held in October at two locations: Des Moines and Iowa City. Co-sponsored by the Iowa Bankers Association and the American Bankers Association, the one-day seminar dealt with various aspects of security management including: drug money laundering, robberies and burglaries, kidnap and extortion and frauds and embezzlements.

Jerry Kenna, Profit Protection, Inc., Miami, Fla., presented the seminars. Profit Protection is a firm which analyzes approximately 6,000 crimes and loss incidents each year in search of better procedures to deter, detect and prevent future losses in financial institutions.



Jerry Kenna visits with Grundy Center banker Sara Lee Yoder, v.p. and cash., Grundy National Bk.





### Centerville Open House Held

IOWA Trust and Savings Bank recently celebrated the completion of its newly-remodeled and expanded facilities with an open house, attended by nearly 1,500 people over the two-day period. Office Concepts Limited of Waterloo was in charge of the project which included adding to the existing structure to create 1,850 sq. ft. of additional work area. The remainder of the building was totally remodeled; the first change the bank has seen since it was originally constructed in 1965. J. Bradley Young, chmn. of the bank, was recently joined by his two sons, Brad Jr. and Jeff, who now represent the fifth generation of the banking family.



### Appointment Announced at American Trust, Dubuque

William D. McGeehan, president of American Trust and Savings

Bank, Dubuque, announced last month the appointment of Donald A. Kimmel to executive vice president and senior loan officer of the bank. Mr. Kimmel has almost 30 years lending



D.A. KIMMEL

and management experience with banks in Iowa and Minnesota, most recently serving as executive vice president and a director of United Central Bank in Mason City.

Mr. Kimmel is a University of Minnesota graduate with a degree in economics and agricultural industry.

As executive vice president, senior loan officer, Mr. Kimmel will be responsible for American Trust's commercial and consumer lending programs, as well as the bank's consortium and correspondent lending services.

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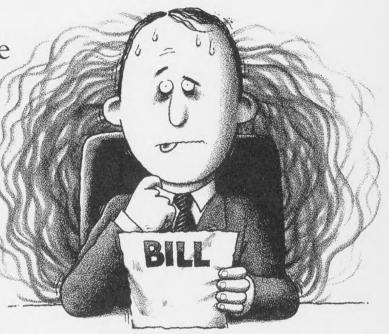
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**LEFT—Dennis McCuistion** (far right), McCuistion & Associates, poses with consumer lending committee members: **Stacy Ware**, v.p. and cash., Oelwein State Bk.; **Carol Burress**, a.v.p., Manufacturers Bk. & Tr., Forest City, and 1984-85 chmn., and **Richard Waller**, s.v.p., Security Natl. Bk., Sioux City, and 1983-84 chmn. RIGHT—**Dr. Tahira Hira**, lowa State University assoc. prof., gave her presentation on the second day along with IBA's **Wes Ehrecke**, govt. rel./ag. dir., and **Kathy Giles**, compliance coord.

### **Changing Needs Stressed at Conference**

By BECKY McBURNEY
Associate Editor

THE NEEDS of the customers are changing and consumer lenders must take the necessary steps to meet the demands of future retail customers, was the theme brought out by Rich Waller, chairman of the consumer lending committee and senior vice president, Security National Bank, Sioux City, and carried through by various speakers at this year's Consumer Lending/Retail Banking Conference, sponsored by the Iowa Bankers Association and held in Des Moines last month.

Because of the positive comments following last year's conference, Dennis McCuistion, McCuistion & Associates, Irving, Texas, was asked back to address this year's group. His opening presentation on "The Lender as Financial Consultant," addressed the question, "Can we, as lenders, remain *just* a lender or do we need to become a financial consultant?" As a financial consultant, one fills two major rolls: that of personal money management counselor, and financial planner for more fluid customers.

He stressed that consumer banking is still a personal business and we as lenders need to convince our customers that they are not going to receive the same kind of personal service from someone like Citicorp as we can offer them as their home town banker.

Mr. McCuistion's presentation included round table discussions on consumer lending and retail banking case studies. Before breaking for lunch, he had everyone get up and look at the bottom of their chairs.

Under one chair at each table was taped a dollar bill. The scenario was: "You have to get off your butt to earn a buck."

Luncheon speaker Jack Jackson, chairman of LDI, Inc., Oklahoma City, and 23-year veteran of American Airlines, had little trouble keeping his audience's attention. He used many humorous illustrations in his comparison of the changes the airline industry went through the last six years as a result of deregulation, and the changes the banking industry is going through right now. As he kept reminding the audience, "Humpty Dumpty didn't fall, he was pushed." The airline industry didn't change because they wanted to, they were pushed, just as bankers are being pushed today by deregulation and increased competition. Mr. Jackson warned bankers that, "You can be on the right track, sitting still, and still get run over." The technology is there, the knowledge is there, but the downfall is not going out and meeting the customer needs. Bankers need to take a fresh



**Sharon Ward,** Younkers, and **Steve Barger**, Hawkeye Bancorporation, presented workshops the first afternoon.

look, and do what has to be done to meet customer needs.

The afternoon session consisted of three well-received workshops put on by Steve Barger, vice president in marketing, Hawkeye Bancorporation, Des Moines, on "Credit Analysis: A Sales Tool"; Sharon Ward director of human resources, Younkers, Des Moines, on "Serving the Customer of the 80s," and Marva McCarty, education manager/AIB coordinator, IBA, Des Moines, on "Telemarketing."

The second morning of the conference was devoted to a session on "Financial Counseling" led by Dr. Tahira Hira, associate professor, Department of Family Environment. Iowa State University, Ames. She explained that financial counseling and planning is a process, not a product, that is time consuming and requires background and skills. She said there is a need and the people have the money, they just don't have the time to plan their finances. Through round table discussions on four case studies, the group was able to get an idea of the steps involved in financial counseling and come up with alternatives to the problems of each case study.

IBA Compliance Coordinator Kathy Giles gave a brief but informative update on IRAs and Qualified Plans (previously Keoghs), and the changes that have had to be made in them as a result of TEFRA, passed in 1982, and the Tax and Reform Act and Retirement Equity Act, both passed in 1984. Jim Struve, vice president, Merchants National Bank, Cedar Rapids, concluded the morning session with a brief ABA report, in which he put in a plug for ABA's all new regional consumer lending workshops plan-



ned for 1985 and held in addition to the main conference scheduled for March in San Francisco. The workshop Iowa bankers will be interested in is for the western region and will be held in Seattle, April 28.

Following lunch at Guido's Wes Ehrecke, IBA government relations/ agriculture director, described a little about his role as a lobbyist in the banking industry. He stressed the importance of getting to know the candidates, actively participating in the election process, and establishing rapport with our legislators.

### Ames Promotion Announced

At the October 10 board meeting

of First National Bank, Ames, Barbara Werner was promoted to cashier.

Ms. Werner joined the bank in 1972 in the bookkeeping department, and most recently served as assistant vice president, operations.

### **UCB Systems Introduces** "The Media Manager"

UCB Systems, Inc., Des Moines, recently introduced "The Media Manager," a high technology media converter for use by customers experiencing computer communications problems.

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president, "This new system solves most computer information conversion problems such as converting non-compatible formats, and converting magnetic tape to floppy disk and floppy disk to magnetic tape. Multiple copies, phone line conversions and phototypesetting capabili ties are available as well.

### Joins Iowa City Bank

Clark Houghton, president of First National Bank, Iowa City, has announced that Ronald E. Matthews has joined the bank as second vice president and Theodore L. Kron has joined as trust officer.

Mr. Matthews, previously with the bank from 1960 to 1976, will be in customer service downtown. Mr. Kron, an Iowa City native and 1975 graduate of the University of Iowa College of Law, has been a partner in the law firm of Honohan, Epley, Kron and Haymond.

### Joins Fredericksburg Bank

Northeast Iowa National Bank, Fredericksburg, has announced the

addition of Mel Martin as vice president. Currently in the Fredericksburg office, Mr. Martin will be responsible for operations of the new Sumner facility. He joins the bank with



M. MARTIN

eight years experience at PCA and experience in farm operations and insurance.

Federal Reserve Bank of St

### Iowa Ranked Ninth In Sale of Olympic Coins

Iowa banks and S&Ls are ranked number nine in the country in the sale of U.S. Olympic coins. In 414 locations, the state of Iowa has raised

over \$58,090 to aid America's amateur athletes. Of this Olympic contribution, 4,024 silver coins and 357 gold coins have been sold. Overall,

the U.S. Olympic coin program has raised more than \$52.6 million from gross sales of \$250 million without

using any tax dollars.

Coins will be available through banks, S&Ls and other outlets until the end of the year. At that time remaining Olympic coins and dies used to strike the coins will be destroyed.

Dean Mitchell, director of the Olympic coin program, reported that weekly sales in banks and S&L's actually doubled during the last two weeks in August after the

Olympic games and that new banks are still signing up to participate in

the program.

### BIS Announces Two **Upcoming Schools**

Iowa bankers Insurance & Services, Inc. has announced two schools to be offered in upcoming months.

Credit Life Licensing School will be offered December 3-4 and Permanent Life Licensing School is being offered January 28-29. Held in Des Moines, both schools will offer examinations on the day following the school.

Registration for the December school must be made by November 19 and for the school in January, registration must be made by January 21. For more information and registration contact Jeanette Elling-

oton at 1-800-532-1423 or (515) 286-4371, IBIS, 104 East Locust Street, Des Moines, IA 50308.

### Fort Dodge President Named

J.P. Mansfield III has been elected president, chief executive officer and a director of United Central Bank in Fort Dodge. He suc-•ceeds Jim Hughes, who resigned.

Prior to joining the bank in April of this year, Mr. Mansfield was with First Bank Minneapolis, Minn., and has been affiliated with First Bank System for 12 years.

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Mark Christen Vice President and Head of our Correspondent **Bank Division** 

Mark Christen is Vice President in charge of the Correspondent Bank Division. He's responsible for helping you with Overlines, Transit Services, and Investments.



**Dennis Hagedorn** Vice President and Money Desk Manager

Dennis Hagedorn manages Valley Bank's Money Desk. He's the one to count on to help with Federal Funds, Certificates of Deposit, Safekeeping, Securities, and Wire Transfers.

Mark and Dennis make a good team. Both are dedicated bankers. They're always ready to give you their undivided attention, regardless of how small or large your request. And what's more, they consider it a privilege to work with you.

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George F. Milligan, president and chief operating officer of Norwest Bank Des Moines, N.A. announced these promotions following the September board meeting:

Jeanne Baker has been named

trust investment officer. She joined the trust divi-sion of the bank in June, 1982, as a portfolio manager. She was previously employed by Merrill Lynch as a retail account executive.



J. BAKER





R. MEINERS

L. WOOD

Randall Meiners has been named trust agricultural officer. He started with the bank in October of 1982 as a trust agricultural administrator. He was employed by Newell Farm Management as a farm manager prior to joining the bank.

Lisa Wood has been named trust officer. She joined the trust division in July of 1982 as a trust administrator. Ms. Wood received her undergraduate degree from University of Wisconsin, Whitewater, and is also a graduate of the Drake University Law School

David L. Miller, president and chairman of West Des Moines State

Bank has announced the election of Raymond G. Johnston as senior vice president - commercial lending.

Mr. Johnston was formerly associated with United Central Bank of Des



**R.G. JOHNSTON** 

Moines serving in various capacities including trust officer, senior vice president - commercial lending, and president and CEO until November, 1981. Most recently Mr. Johnston was with R.G. Dickinson & Co.

Robert J. Beh has been named director of institutional sales and

product strategy for AID Securities Corp. of Des Moines.

Previously vice president and regional manager of the municipal bond department of E.F. Hutton & Co.'s Des Moines



R.J. BEH

office, Mr. Beh will be responsible for proprietary tax shelter offerings as well as developing insurance and annuity products to be sold by AID Securities.

Mr. Beh formerly was president and chief operating officer of Carleton D. Beh and Co., an investment banking firm that was acquired by

E.F. Hutton in 1981. AID Securities is a subsidiary of AID Insurance. Companies of Des Moines.

Robert G. Millen, president and CEO, United Central Bank of Dean Moines, N.A., has announced the appointment of Eric Paul as manager, investments, and Marlin G. Johnson as operations officer, research and analysis.





E. PAUL

M.G. JOHNSON

Mr. Paul joined the bank from First Interstate Bank of Casper, Wyo., where he held the position of vice president and investment officer. He is a graduate of Mankato State University with a bachelor of science degree in education.

Mr. Johnson joined United Cen tral Bancshares in May of 1981 as a staff auditor in the auditing department. In October of 1982 he transferred to operations administration as an operations analyst. Prior to joining UCBI, Mr. Johnson was employed by Kansas-Nebraska Natural

Gas Co.

### Appointed in Packwood

At Farmers Savings Bank, Packwood, James K. Kramer has been appointed lending officer. He previously was with United Federal Savings Bank.

In addition, Connie Snakenberg has been promoted to assistant cashier. She has been with the bank

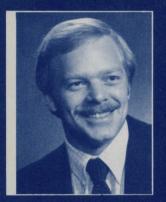
since 1974.

### **Applications Approved**

The Comptroller of the Currency recently approved the following applications to convert from a state to a national charter:

Norwest State Bank Atlantic, under the new title of Norwest Bank Atlantic, N.A.; Bettendorf Bank and Trust Company, under the new title of Bettendorf Bank, N.A.; Nor west State Bank Keokuk, under the new title of Norwest Bank Keokuk, N.A.; and Cambridge State Bank, under the new title of First National Bank, Cambridge.

## nvestments Operations



**Investments** Eric Paul Manager, Investment Dept.

Eric's background includes seven years in operations and investment management. His knowledge in securities, asset/ liability management, and investment planning make him a valuable addition to the UCB Investment Department.

Cal (515) 245-7029



**Investments Joan Thompson Investment Officer** 

Joan's previous experience with a securities brokerage firm and as a banker is valuable to your bank's investment area. Call on her expertise in government and municipal bonds and money market investments.

Call (515) 245-7069



**Operations Vern Hoskinson Vice President** 

Vern's 26 years with bank operations includes 23 years experience in operations at the Federal Reserve. His background provides UCB's staff with the knowledge of data processing equipment, methods and handling necessary to effectively assist you in your correspondent needs. His involvement in the accounting and check collection functions of the bank complements his operations background.

Call (515) 245-7290

The combination of efficient operations and timely investments is the answer to cutting expenses and increasing income. At UCB we work to help you achieve both.



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Arlan Tengwall, Senior Vice President, Agriculture, Member Financial Institutions Team "Agriculture. It's changed dramatically over the past 50 years.

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"Changed by responding year after year to the growing credit needs of farmers, ranchers, and agri-business. Something that has made Norwest Banks the largest bank lender to agriculture in this part of the country.

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"What's more, our new Hub System places a knowledgeable Financial Institutions Client Executive in your area. That way, he and a Norwest ag expert can work with you as a team. So we understand—firsthand—the problems and concerns facing all aspects of agriculture.

"It's from these Hub locations that we can better maintain our deep involvement with ag producers, processors, suppliers, and exporters. And in that way, respond more fully to you and your ag customers.

"That's our promise; our commitment to

agriculture. And to you.

"If you're interested in finding out more, contact your nearest Norwest Financial Institutions Client Executive."

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