

NORTHWESTERN *Banker*

JANUARY
1985



Willis Alexander Says Farewell to ABA

- How to Improve Profits in 1985 - Survey
- How Tax Reform Act Affects Banks
- A/L Management - Part V - Final Installment

THIS MAN MEANS BUSINESS.



He's Stan Farmer, your MNB Correspondent banker.

MNB's Stan Farmer means business — more business for you and your bank. He can help you say "yes" to your valuable bank customers when their financial need exceeds your ability to fulfill it.

Stan has the knowledge and experience to work with you and your customer on agricultural loans, or commercial and real estate loans. He will also consult with you on your personal plans for bank ownership.

He means business when it comes to assisting with your day-to-day cash management needs, as well. In addition to providing standard services — such as federal fund transactions, short-term investments and check clearing — Stan and our MNB

Correspondent banking staff can help you deal with critical cash transfer deadlines, complicated collection requirements, international transactions and difficult check clearing problems. Additionally, Stan will work with you to provide operational innovations that prepare your bank for any service need.

At MNB, we're dedicated to bringing together the resources, experience and services you want in a correspondent bank. That's MNB's commitment to productivity, so talk to Stan, soon. When he says he can help your bank's business grow, he means business. Call Stan at 319/398-4320 or 1-800-332-5991, toll free, today.

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. We combined all the resources of two of the largest 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, multi-bank, 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 high-growth, high-technology and service industries.

So, when you need correspondent banking services, talk to us. At First Bank Correspondent

Banking you don't have to go around in circles to get to the experts. We have the credit you need and the technical advice you have to have to stay profitable in today's ever changing world of banking.

At First, good news is all you get.



 **First Bank**
*Correspondent
Banking*

First Bank Minneapolis
First Bank Place
Minneapolis, MN 55480
(612) 370-5474

First Bank Saint Paul
332 Minnesota Street
St. Paul, MN 55101
(612) 291-5585

Members FDIC

NORTHWESTERN Banker

JANUARY 1985 • 92nd Year • No. 1456



MEMBER OF AUDIT BUREAU OF CIRCULATION
MEMBER BANK MARKETING ASSOCIATION



OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES

FEATURES

14 How to improve profits in 1985

Bankers offer ideas to other Community Bankers

22 A salute to Willis Alexander!

A look back at career of retiring ABA executive

25 Asset/Liability Management—Part V

Concluding installment of a five-part series

28 Tax reform act of 1984

Attorneys tell its impact on banks in 1985

30 BAI hosts successful ATM 7 +

Conference gives bankers state-of-the art electronic report

DEPARTMENTS

32 Illinois	53 Montana
35 Wisconsin	55 Nebraska
37 Minnesota	56 Omaha
40 Twin Cities	60 Lincoln
47 South Dakota	63 Iowa
48 North Dakota	68 Des Moines
49 Colorado	74 Index of Advertisers
52 Wyoming	

NORTHWESTERN BANKER

306 15th Street, Des Moines, Iowa 50309 Phone (515) 244-8163

Publisher & Editor Ben Haller, Jr. **Associate Publisher** Steve Burch **Associate Editor** Becky McBurney **Consultant** Malcolm K. Freeland

No. 1456 Northwestern Banker (USPS 397-620) is published monthly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscription \$1.50 per copy. \$18 per year. Second Class postage paid at Des Moines, Iowa and at additional mailing office. POSTMASTER: Send all address changes to Northwestern Banker, 306 Fifteenth Street, Des Moines, Iowa 50309.

The knowledge of the gnomes is very close to home. Through our system of regional offices, Freddie Mac makes it easy to do business locally. And, because our representatives live there, they understand your particular needs. Our North Central Region office is:

Federal Home Loan Mortgage Corporation
111 East Wacker Drive,
Suite 1515
Chicago, Illinois
60601-4580
(312) 861-8455

Representatives and their territories are:

Judy Graves: Chicago, Northern Illinois, Indiana
Dick Hammond: Minnesota, Iowa, North & South Dakota
Jeanne Redford: Wisconsin, Southern Illinois
John Sable: Ohio, Michigan
Ann Alexander, Marketing Administrator, Chicago

© 1984, FHLMC

THE GNOMES
KNOWSM

**Freddie
Mac**

Federal
Home Loan
Mortgage
Corporation

Owned by America's Savings Institutions



We make house calls.



The gnomes of Freddie Mac are not only well-versed but also well-traveled. ■ Indeed, we are always eager to meet with our customers. And each of our regional offices is tailored to suit local needs. ■ Whether you want to sell your mortgages for cash or swap them for PCs, we're ready to structure the deal that's right for you. Just say when—our bags are packed.

This is not an offer to sell or a solicitation of an offer to buy PCs. PCs are sold only by means of an offering circular. PCs are not guaranteed by the United States or by any Federal Home Loan Bank and do not constitute debts or obligations of the United States or any Federal Home Loan Bank. Freddie Mac ■ Marketing Communications ■ 1776 G Street, N.W. ■ P.O. Box 37248 ■ Washington, D.C. 20013-7248 © 1984, FHLMC

THE GNOMES
KNOW_{SM}

**Freddie
Mac**

Federal
Home Loan
Mortgage
Corporation

Owned by America's Savings Institutions

Christopherson Named CEO at Northern Trust

The board of directors of Northern Trust Corporation and The Northern Trust Company of Chicago announced December 3 the election of Weston R. Christopherson as chairman and chief executive officer and a director of the holding company and the bank. Mr. Christopherson, age 59, was formerly chairman and chief executive officer of Jewel Companies, Inc.



W.R.
CHRISTOPHERSON

Mr. Christopherson succeeds Philip W.K. Sweet, Jr., who announced last April that he would take early retirement when a new chairman was named. Mr. Sweet, whose resignation was effective December 3, will not continue as a director of the corporation or of the bank but will serve as a consultant to the corporation for the next eighteen months.

Continuing in their present positions will be Charles H. Barrow,

president; David W. Fox, vice chairman, and Robert F. Reusche, vice chairman.

Mr. Christopherson joined Jewel in 1951 as an attorney and, after serving in various management assignments, became president in 1970, chief executive officer in 1979 and chairman and chief executive officer in 1980. He resigned that position in July, 1984. He served in the United States Navy from 1943 to 1946 and received both his undergraduate and law degrees from the University of North Dakota.

Mr. Sweet, in commenting on the decision of the board in selecting his successor, said "I'm very pleased that after a most deliberate search our board has chosen such a capable fellow Chicagoan to head The Northern Trust. His managerial abilities and strong commitment to traditional policies make me believe that under his leadership the future of the bank, its employees and customers will be bright."

Joins Commerce Bancshares

Theodore H. Howe has been elected vice president and director of human resources for Commerce

Bancshares, Inc., Kansas City, where he will have responsibility for the company's human resources systemwide.

Mr. Howe moves to Kansas City from Houston, where he was senior vice president of human resources administration at First City Bancorporation of Texas. He began his career with the Federal Reserve Bank in Pittsburgh in 1961.

IAC Group Elects Officers

Richard Wolf has been named president of Extended Care Plan, Inc., a newly-formed division of IAC Group, a Kansas City-based group of companies specializing in credit insurance and bank financial services. Extended Care Plan markets a line of extended automobile service contracts through lending institutions.

Mr. Wolf joined IAC Group's insurance division in 1973. He worked as a field representative in the company's Iowa-based territory and was transferred in 1981 to serve the Missouri territory.

It was also announced that Insured Accounts Company of the

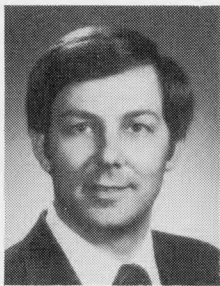
Frank Jim

IAC Group has elected Ronald D. Roberts as president and chief operating officer. This is IAC's wholly-owned property and casualty agency specializing in risk management products for the banking industry.

Mr. Roberts has 18 years of experience in sales, marketing, administration and underwriting of bank-related insurance programs. As a product engineer for IAC Group, he spearheaded in 1978 a line of products to protect lenders from losses on uninsured collateral.

Joins 1st of St. Joseph As General Counsel

Richard A. Heider has joined the staff of First National Bank in St. Joseph, Mo., as general counsel. W. Dale Maudlin, president, First National Bank, stated, "Mr. Heider will provide advice and counsel on legal matters involving the company. In addition,



R. HEIDER

tion, he will be working with our trust department in the areas of business development and administration."

Mr. Heider served as prosecuting attorney of Buchanan County, Mo., from 1972 to 1977. Since that time, he has been a partner in the law firm of Morton, Reed, and Counts.

Mr. Heider graduated from St. Louis University in 1968 with a Bachelor of Science Degree in Economics. In 1971, he received a Juris Doctorate from the University of Missouri, Columbia.

Mercantile Trust to Build New Banking Center

Construction will begin soon on a new banking center for Mercantile Trust Company N.A., St. Louis, it was announced recently by Neal J. Farrell, president and chief executive officer of Mercantile Trust and vice chairman of Mercantile Bancorporation Inc.

The banking center will be on Tucker Boulevard between Olive and Locust streets. The new 6,400-square-foot facility replaces

an existing Mercantile Trust facility half a block away at Thirteenth and Olive streets.

The Tucker Banking Center, scheduled to open in September 1985, will offer a broad range of banking services in a setting designed for customer convenience. It will have private office areas in which Mercantile Personal Bankers will meet with their clients, safe deposit services, and walk-up tellers in addition to the tellers in the bank lobby.

Northern Trust Expands Its Futures Activities

Northern Trust Corporation, Chicago, on December 5 announced the signing of an agreement to acquire, subject to regulatory approval, a minority interest in Stotler and Company, a Chicago-based futures commission merchant. Northern Futures Corporation, a futures commission merchant which is a subsidiary of The Northern Trust Company, signed a clearing agreement with Stotler and Company; under the agreement, Stotler will clear all futures transactions for Northern Futures.

Frank Bauder. Jim Carmody.

Kathy Hardy. John Crotty. Max Roy.

Names synonymous with correspondent banking. More specifically, with correspondent banking at Drovers. Almost 150 years combined experience.

Kathy John Max.

Knowledgeable years...handling Overline Loans, Capital Requirements, and now such new services as discount brokerage. So consider Drovers for your correspondent needs. You'll find a continuity of policy. And a continuity of people. Like Frank. And Jim. And Kathy. And John. And Max.

Call toll-free 1-800-621-8991.

In Illinois, 1-800-572-2498.



Drovers Bank of Chicago.

47th & Ashland Ave., Chicago, IL 60609 • 1-312-927-7000.

MEMBER FEDERAL RESERVE SYSTEM AND FDIC.



Agriculture has changed through the years, and so has Omaha National.

But we haven't forgotten our roots.

The territory we call home is the center of America's agricultural economy. And our advanced technology and innovation make America's ag production capacity the highest in the world.

Omaha National has kept pace with the growing needs and innovation in agriculture, making us one of the nation's top lenders in the field. We assist correspondent banks in furnishing capital for all kinds of operations — from row crops to large feed lots — from corn and hogs in Iowa, to potatoes in Idaho, to cattle-feeding in Kansas and Nebraska.

Our officers know as much about live-

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.

Learn how Omaha National can help your bank serve the interests of agriculture in your area. Call your correspondent bank representative at 402-348-6565 or toll free in Nebraska 1-800-642-9305; outside Nebraska 1-800-228-9175.

We're your natural resource for agricultural lending.



Omaha National

A FirstTier Company
Omaha National Bank
17th & Farnam Streets
Omaha, Nebraska 68102
Member FDIC



Continental Announces Major Board Changes

Continental Illinois Corporation, parent of Continental Illinois National Bank and Trust Company of Chicago, announced December 3 that nine of its current 14 non-employee directors will not stand for re-election at the annual meeting of stockholders in April 1985. This action is part of a substantial board restructuring announced on July 26, 1984, by the Federal Deposit Insurance Corporation as a requirement in connection with FDIC assistance to Continental Illinois. In addition

to the nine, two other directors left before 1984 year-end.

The nine directors who will not stand for re-election are Rev. Raymond C. Baumhart, S.J., president of Loyola University of Chicago; James F. Bere', chairman and chief executive officer, Borg-Warner Corporation; William B. Johnson, chairman and chief executive officer, IC Industries, Inc.; Jewel S. Lafontant, senior partner, Vedder, Price, Kaufman & Kammholz; Robert H. Malott, chairman and chief executive officer, FMC Corporation; Marvin G. Mitchell, retired chairman of the board and chief executive of-

ficer, CBI Industries, Inc.; Paul J. Rizzo, vice chairman, International Business Machines Corporation; Thomas H. Roberts, Jr., chairman of the board, chief executive officer and president, DEKALB AgResearch, Inc.; and Blaine J. Yarrington, retired executive vice president, Standard Oil Company (Indiana).

Vernon R. Loucks, Jr., president and chief executive officer, Baxter Travenol Laboratories, Inc., resigned effective December 17, 1984, because of business commitments. All of these directors were first elected to the board before 1980.

It is currently contemplated that standing for re-election to the board in 1985 will be John E. Swearingen, chairman of the board of directors and chief executive officer, Continental Illinois Corporation; William S. Ogden, chairman of the board of directors and chief executive officer, Continental Bank; Frank W. Luerssen, chairman and chief executive officer, Inland Steel Company; John M. Richman, chairman of the board and chief executive officer, Dart & Kraft, Inc., and William L. Weiss, chairman and chief executive officer, American Information Technologies Corporation (Ameritech).

Weston R. Christopherson, former chairman of the board and chief executive officer, Jewel Companies, Inc., resigned December 3 from the Continental Illinois board to become chairman and chief executive officer of Northern Trust Corporation, the parent company of the Northern Trust Company. All of these directors were first elected to the Continental Illinois board in 1980 or later.



IS YOUR MICROCOMPUTER A PART-TIMER?

MICROCOM CAN HELP YOU

PUT IT TO WORK FULL-TIME.

If your microcomputer is gathering dust in the corner of the bank, it's probably not the computer's fault. Most likely you just don't have the right software. Or maybe you purchased software through the mail and aren't sure how to use it.

MICROCOM has the resources you need to get your micro working full-time. We have over 30 years financial experience and a thorough knowledge of financial software. We've researched the field and only represent software companies with strong products and track records. Companies that have demonstrated a commitment to the financial industry.

At MICROCOM we can analyze your particular situation, choose the micro software that fits your needs and level of expertise, and get you up and running with personal training. If desired, we can also advise you on a microcomputer purchase.

Samples of available software:

- Loan Calculation and Document Preparation
- Commercial Loan Credit Analysis
- Fixed Asset Management System
- Asset/Liability Management
- Safe Deposit System
- General Ledger System
- Planning and Control

Your microcomputer *can* help you increase your effectiveness as a manager and decisionmaker. It *can* work for you full-time. At MICROCOM we'd like to show you how.

For more information call Bob Duff or Joe Phernetton now at 319/378-1378, 1221 Park Place N.E., Cedar Rapids, Iowa 52402.



YOUR MICRO COMPUTER
RESOURCE

First Interstate Appoints Four New Officers

First Interstate Bancorp of Los Angeles has announced the appointment of four new officers and the promotion of two others. John O. Smith has joined the Los Angeles-based multistate banking company as senior vice president and director of electronic banking. Three new vice presidents also have joined the company: Richard A. Hayes, tax department; Carol Meiner, support services; and Andrew P. Studdert, consumer banking and operations. Promoted were Martin G. Ariano to audit manager and Sandor E. Samuels to senior counsel in the office of the general counsel.

Insured Credit Services Announces:

New Policy Shields Lenders from Impact of Rate Rise on Fixed Loans

INSURED Credit Services, Inc., headquartered in Chicago, has announced a new Yield Maintenance Insurance policy that provides substantial protection for lenders against the impact of increasing interest rates on the profit of fixed rate loans. The new, one-time premium policy provides up to 600 basis points of protection while offering the lender flexibility, both in terms of length and degree of coverage.



W.F. SCHUMANN

The insurance policy coverage is indexed to 6 month U.S. Treasury Bill rates, generally corresponding to short term money costs, and provides protection against interest rate volatility for the life of the loan. Protection begins, at the lender's option, three, four or five years after the loan's initiation, remaining in effect for as long as there is an unpaid loan balance.

Lenders determine the level of protection they want by choosing 300, 400, 500 or 600 basis points of

coverage, with a buffer added to the index to determine the point at which the coverage begins. The base rate of the insurance is determined by the average monthly T-Bill rate at the time the loan is made.

Thus, if T-Bill rates were at 10 percent at the outset of coverage and a 2 percent buffer were in effect, coverage would begin at 12 percent.

The lender could elect complete coverage and be assured of a profit spread even if T-bill rate and, therefore, the lender's money costs rose as high as 18 percent.

The premium cost for Yield Maintenance Insurance is paid once at the outset of coverage. The premium is tax deductible and, in the event of a loan payment, premium refunds are made on a short rate basis. In addition, up to 60% of the premium can be retroactively refunded, based upon actual loss experience.

"Dramatic fluctuations in interest rates have created the single most difficult problem facing lending institutions today: asset-liability mismatching. And the longer the term on fixed rate loans, the more acute the problem becomes," according to William F. Schumann, president of Insured Credit Services, a

subsidiary of Old Republic International Corporation.

"Insured Credit's new coverage, for the first time, allows lenders to capture a significant, competitive advantage by offering fixed rate loans with repayment terms of up to 15 years rather than requiring either balloon payments or variable interest rates," Mr. Schumann said. "Both of these alternatives to fixed rate loans have been resisted by the general public, and with good reason. The consumer doesn't want to assume interest rate risk anymore than the financial institution does. We, on the other hand, are in the risk taking business."

"Our insured coverage offers the best of all worlds for lenders: profit protection from erroneous interest rate predictions, elimination of the high costs usually associated with in-house hedging operations, and avoidance of increased costs and system disruption which most lenders experience in converting to variable rate lending, all within a fixed rate structure," Mr. Schumann said.

"Yield Maintenance Insurance gives the lender low cost protection, and provides the institution with the advantages of a fixed rate loan in a steady or declining interest rate environment and the advantages of a variable yield in an ascending rate environment," Mr. Schumann noted.

The new protection can be combined with Insured Credit Services' existing default insurance to create a total package protecting both loan profit and principal. The company has provided such default protection to lending institutions for 30 years and is the largest private insurer of property improvement and home equity loans.

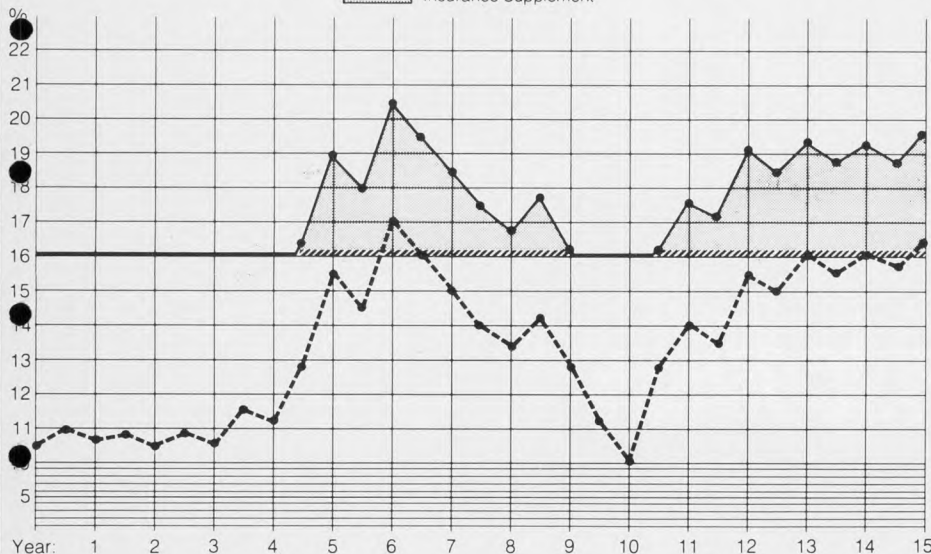
"We feel that within two or three years Yield Maintenance coverage will be in place, with ours as the industry standard, at most lending institutions in the United States," Mr. Schumann predicted.

Yield Maintenance Insurance is underwritten by the Old Republic Insurance Company. Insured Credit Services, Inc., manager of the Yield Maintenance program and a wholly-owned subsidiary of Old Republic International Corporation, is a credit guaranty insurance facility protecting commercial banks, savings and loan associations, credit unions and consumer finance organizations against default on consumer loans.

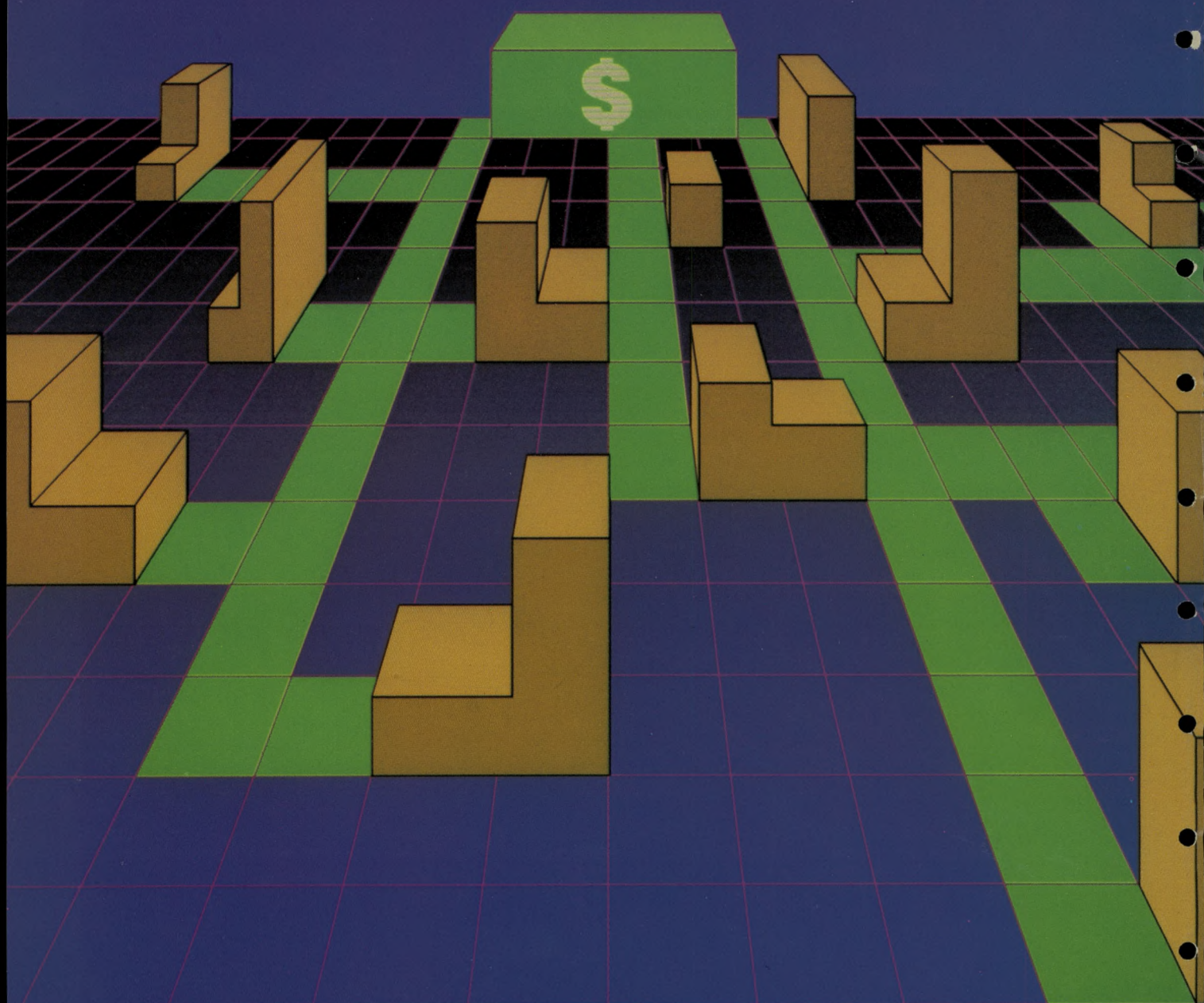
Yield Maintenance Insurance Example:

15-year Fixed Rate Loan • 4-year Deferment Period • 500 Basis Points Coverage

Legend: --- 6 mo. T-Bill Rate — Loan Yield with ICS Insurance Supplement // Fixed Rate Yield
 [] Insurance Supplement



DEMONSTRATING yield maintenance insurance coverage on a 15-year fixed rate loan, this example illustrates the loan yield with the ICS insurance supplement with 500 basis points of coverage and a four-year waiting period.



MEET FIRST WISCONSIN

Credit Services

RELATIONSHIP BANKING

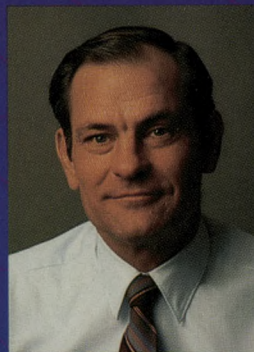
In today's highly complex business environment, community bankers like Dean Treptow, President, Brown Deer Bank, know and understand the value of one-to-one business relationships.

At First Wisconsin, we believe in building long-term correspondent relationships that are based upon a thorough understanding of individual needs. Our primary objective is to help each correspondent build profits. Our officers are lenders who have the knowledge and authority to make decisions. They are there to meet your needs no matter how simple or complex. Your correspondent officer is a direct link to the full resources of First Wisconsin.

If your bank is interested in providing a broad scope of credit services to your community, talk to First Wisconsin.

Dean Treptow knows the value of a correspondent bank that understands one-to-one relationships:

"My ability to fully serve the credit needs of small businesses is of paramount importance to me. To do it right, I look to First Wisconsin for my correspondent support."



Dean Treptow
President
Brown Deer Bank

Director and past president of Independent Business Association of Wisconsin, SBA National Small Business Banker of the Year, Chairman of Wisconsin Governor's Conference on Small Business.



FIRST WISCONSIN

MORE BANK FOR YOUR MONEY

FDIC © 1984 FWNB

How to Improve Profits in 1985!

A NORTHWESTERN BANKER Survey

EACH new year brings its own opportunities and some problems, and this was never truer than today as bankers plan for the year 1985. Business leaders over the years have come up with all kinds of sayings to describe opportunities and problems. E.G.:

- Opportunities bring rewards; problem solving proves you're worthy of the rewards.
- Problems are opportunities waiting to be discovered.
- The wise executive knows the difference *and* the relationship between opportunities and problems.
- Not to be outdone, one man used to say, "A difference of opinion is what makes horse racing possible!"

A number of midwestern bankers—correspondent bank officers and state association presidents who talk to a number of community bankers throughout the year—were asked to list briefly those items they feel will show "How Community Banks Can Improve Their Profit in 1985." In these comments they have shared with the *NORTHWESTERN BANKER* for our readers, they agree on a number of points, some give emphasis to other points that may not have been given much consideration yet.

In any event, all the respondents are experienced bankers, they are keenly aware of the pressures and problems facing Community Banks today, and they present in this special report a summary of their own thinking and ideas.



JAMES A. RUSSELL
Vice President
American National Bank
St. Paul, Minn.

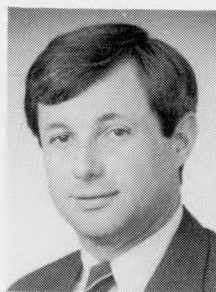
PROFITS in 1985 will be determined to a great extent by interest rates and their fluctuations and variations. Profits also will be affected by intense competition for deposits and loans, by continued deregulation, and by the new financial companies that are entering the marketplace. Good profit planning should include the following:

1. Make sure your bank has a profit plan in place, which is well thought out and prepares your bank to meet your competition in the future;
2. Make sure your bank has an asset/liability program

in place so all your work at obtaining deposits and generating assets isn't lost by a move in interest rates;

3. Look at your future, look at your community and the demands and types of assets and liabilities characteristic of your community and make sure you are providing correct deposits and assets for your communities needs;
4. Look at other successful banks in your state and the rest of the country and see if they are doing things you aren't and that you possibly could adopt. These could be such things as financial services, new fee sources and new types of assets and liabilities;
5. Recognize where competition will be coming from in the future—the new financial service giants such as Sears-Dean Witter, IDS-American Express, K-Mart, etc.—and develop or begin to think of ways to compete with these giants.

These suggestions, along with many of the traditional approaches such as containing administrative and overhead costs, maintaining high asset quality, and generating new service fee income, should all be important aspects of 1985 profit planning. It would be wise also to begin thinking beyond 1985 and looking in 1986 to allow enough time to restructure and implement the bank's profit plan.



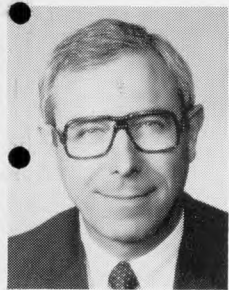
MICHAEL AUSTIN
Vice President
United Central Bank of
Des Moines, N.A.
Des Moines, Ia.

BECAUSE of Iowa's degenerating ag economy, community banks face what may be their hardest challenge ever with regard to improving profitability in 1985. In fact, in many banks, the challenge will be one of preserving the status quo or, even worse, minimizing losses.

Past emphasis has been on asset quality, asset/liability management and operating efficiencies as ways for banks to improve their bottom line. However, with the exception of operating efficiencies, these methods of enhancing a bank's profitability require a certain amount of time before producing results.

● A means of improving profitability that many community banks have been reluctant to address, deals with that of product pricing. As bankers, we have been fearful that we would drive away our customers if we charged for our services. However, prudent product pricing can provide immediate non-interest fee income to help offset today's loan losses.

From all appearances, it will be several years before the state's ag economy takes on a positive note. During the interim period, community banks are going to have to rely on other sources of non-interest income in order to cover lower interest income earnings. Product pricing, if used properly, can be a consistent source of non-interest income.

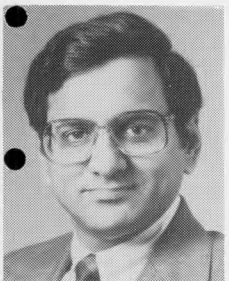


C.E. PEDERSEN
President
Montana Bankers Assn.
President
First Interstate Bank
Great Falls, Mont.

● **C**OMMUNITY bankers have always placed a premium on having a high quality staff in their bank; however, in the deregulated banking world the quality and productivity of a bank's staff can have a significant effect on bank expenses and profitability.

With the rapidly increasing array of more complicated and sophisticated banking products and services, and with all of the new competitors in the financial marketplace, the need for a high quality, well trained staff is greater than ever before.

The cost of maintaining and training an up-graded staff may seem quite high; however, the benefits in increased productivity and effective customer service, I believe, will carry through, positively, to the bottom line and will be essential to the survival of the community bank in the fiercely competitive marketplace now evolving.



D.P. NARAYANA
Executive Vice President
Norwest Bank Minneapolis, N.A.
Minneapolis, Minn.

● **C**OMMUNITY bankers must seize the initiative if they are to improve their profitability in 1985. While it is true that squeezed margins and asset quality will continue to demand their attention, most bankers set aside precious little time for self-examination. It is sad, but true that many have not taken the time to reflect upon their own business.

Of late, many bankers have viewed improved profitability as a function of fee income or reduced net overhead. Not that either isn't important or straightforward enough — if you haven't reviewed your struc-

ture or targeted your expenses, take action and continue to review them periodically. But to rely on this solely is a failed strategy. To be successful, a community bank must be a low cost *deliverer of a variety of products and services*. The future will find plenty of other players in all markets attempting to do the same.

Bankers in many instances have determined they cannot be all things to all people. That is a wise decision that reveals much reflection. Bankers must determine the profitable products and those that aren't, effectively allocating resources to a proper mix. But if a bank can't effectively deliver, rather than exit the market for that product, it should look for quality higher volume purveyors and align with them. Bankers shouldn't fall into the trap of saying "if it isn't home-grown, we don't offer it." Their customers will tire of hearing "no" and will become customers of those who say "yes."

Bankers should think about enhanced training. This may sound like a high expense item, yet it need not be. Even though most banks now operate with leaner staffing levels, slow periods do occur and can be effectively utilized by flexible cross training programs between positions. Each employee should also know all bank services and how to cross sell them. Well trained employees are happier and more productive — this leads to a stronger bottom line for any institution.

A final thought — Community Bankers best know their own marketplace; they should take the time to think about its improvement. No one better understands the challenges that lie ahead or can better meet them if prepared.



MARK CHRISTEN
Vice President
Valley National Bank
Des Moines, Ia.

● **T**O IMPROVE profits, one could write at length about loan quality, interest rates, gap management, etc. However, I think there is one area that many are overlooking that could help earnings immediately, if implemented.

I used to know an old-time banker who was fond of saying "I never went broke taking deposits." He was right for his time, but not anymore. The deregulated, competitive, depressed environment in which we now operate requires that banks manage their bottom line by controlling margins instead of through deposit growth. However, this isn't anything new, everyone knows it. What we're still learning is that if a depositor can go across the street and get a higher rate of interest, we should let him go. If we can't make a profit on a deposit, our competitor can't either. Moreover, by declining the deposit, we've enhanced our earnings at our competitor's expense.

In the old days the government set our spreads through Reg. Q and usury laws. Lately we've been letting our competition do it. Let's do it ourselves, based upon an intimate knowledge of our own bank's cost structure and earnings targets.



WILLIAM K. KLEIN
Vice President
F&M Marquette National Bank
Minneapolis, Minn.

PLANNING for profits in 1985 should be based on strategies developed as the result of increasingly popular financial forecasting models: asset-liability management, strategic planning and (interest) spread management. The resulting game plan for attaining these profits should be viewed as enhancing and preserving liquidity, asset quality and solvency as well.

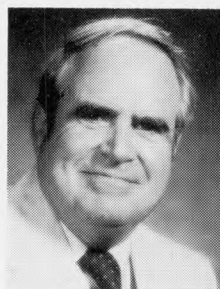
When formulating your objectives consider the comparative data contained in "peer group ratings" published by the Fed, FDIC, BAI, Federal Financial Institutions Examination Council, etc. This information identifies your position in the marketplace and illustrates through ratios and balances the ways and means high-performing banks achieve wider margins while maintaining capital adequacy.

Marketing strategies should be developed that will achieve a sustainable market position and profitability. You may wish to consider the following when formulating your short and long term portfolio goals:

1. Institute competitive pricing of bank products and services;
2. Concentrate on the introduction of new and innovative products;
3. Offer variable rate loans - both installment as well as loans to ag and commercial enterprises;
4. Inaugurate and expand the explicit pricing concept;
5. Identify potential economies of scale - consolidate separate operations on and off premises;
6. Streamline operations through use of mini/computers;
7. Broaden range and quality of banking services - emphasize customer service and "full service" banking - stress continuing customer contact through officer call programs;
8. Utilize a greater use of (direct) fees and less reliance on (indirect) compensating balances;
9. Consider product differentiation and diversification - offer products featuring retentive qualities (i.e. IRA, HR-10 and other trust-related services) leasing, insurance and discount brokerage;
10. Employ tax swaps and other accounting methods to increase investment portfolio profits and sophistication; seek competent tax and investment counsel as well - obtaining investment portfolio analysis is important here;
11. Introduce the delivery of products via automated means and modes (through ATM's, Direct Deposit, etc.) while continuing to emphasize personal service.

The level of profitability an individual bank can achieve is limited and/or enabled by various business, economic and regulatory factors. By establishing the type of financial institution you wish to be, by promoting the most appropriate and cost-effective products/services to the customer base most receptive, one can

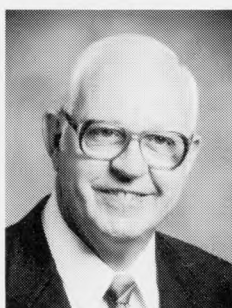
better control these forces operating in their business environment. Quite often, a profitable situation results.



WESLEY D. BOWEN
Senior Vice President
Packers National Bank
Omaha, Nebr.

THE number one priority in my opinion is the necessity to return to the concept of "basic banking." It brings to mind the late Vince Lombardi, who must be remembered as one of the great football coaches of all time. Lombardi preached basics. His philosophy and success on the football field stressed over and over the importance of basic fundamentals as tantamount to winning.

I fear that many of us during the past several years have lost sight of this concept. Now, we must objectively review the principles of sound banking practices. This means reviewing and analyzing the past, present, and future as it applies to our individual banking structure. It must be an in-depth and totally honest appraisal of our past problems, our present needs, and above all, the future solutions needed to make the needed corrections. The above, together with proper management skills, will create the necessary ingredients to improve our profit picture in 1985 and succeeding years.



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

ALMOST every bank has Other Real Estate Owned. Realize that your bank has it because it wasn't worth on the market what you have invested in it. Most bankers are not real estate managers—so even if it is painful, sell it and get back to the business of banking.

It makes little sense to hold real estate, manage it, get 4-6% based on your cost when a 10-15% write down after taxes will earn 11-13%. In the absence of inflation, I firmly believe that land will not attract much investor attention until it comes close to a positive cash flow.

Obviously, if we've learned anything the last few years, you don't make loans on real estate equity. All you do is strengthen the contract on the first mortgage holder.

If you have a customer contemplating bankruptcy, it may be to your advantage to pay him something for his supposed equity in exchange for title—if it means

You don't have to go through the expense and frustration of a Chapter 11. You could end up with more a year sooner and get on to more productive tasks.

Examine non-interest income for possible adjustments in fees. These are usually accomplished without increases in costs.

Bond portfolio management becomes more important as loan-to-deposit ratios shrink. This no longer is a sideline for your CEO. Competent advice is necessary.



SALLY A. LAUX
Vice President
First Banks
Minneapolis, Minn.

ONE AREA community bankers should take a closer look at is service charges (ie: DDA service charges, safe deposit box fees, check reconciliation fees, overdraft fees, NSF fees, etc.). Many bankers could be surprised how low their fees are compared to other banks in their peer group or surrounding communities.

Community bankers should also monitor deposit interest rates and loan rates within their market territory and with their competition, so that they are not paying unnecessarily for deposit and loan business.

The bond portfolio is another area which can improve profits in the community bank. Manage the bond portfolio to take full advantage of possible tax benefits. The tax laws seem to always be changing. Be sure to follow all changes in the tax laws.



DON KIMMEL
Executive Vice President
American Trust and
Savings Bank
Dubuque, Ia.

CAPITAL adequacy and profits will be of prime importance to the decisions made by bank management over the next two to three years. This is especially true for the community banks in Iowa where agriculture plays such an important part in our economy. The agricultural problems affecting cattle and hog feeding operations, I believe, have bottomed out. This is not necessarily true for the grain farmers who could face further marketing problems in 1985. In any event, recovery will be slow.

Prior to DIDC, prices paid for funds and products offered were regulated. Now we as bankers must be creative in our thinking. Not only innovative in the structuring of loans, but also in the offering of financial products and services to be utilized by our customers. Greater demands will be put on fee income, and non-interest expense will need to be held to a minimum.

Without prudent judgment, loan losses will continue to erode our loan portfolio and interest spread will be difficult to maintain.

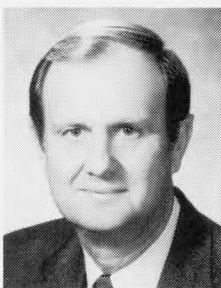
Being more specific, fee income might be increased by:

1. Reviewing all charges on services offered.
2. Increasing insurance sales.
3. Once again reviewing the possibility of discount brokerage.
4. Clerking of auctions, which not only affords good exposure, but is profitable as well.
5. Utilizing the services offered by the correspondent banks. In many instances there may be a cost savings to the community bank, but, more importantly, additional profitable services will become available.

Loan losses on existing loans can be reduced by closely monitoring the credits, keeping lines of communication with the borrower open and if it becomes necessary to revamp the credit, being innovative in restructuring.

New loans should be based on quality, and the interest rate should not be a prime motivation for decision-making.

It is also necessary to prepare in advance a plan to determine where we want to go or be—before we head in some direction.



A.C. "SKIP" HOVE, JR.
President
Nebraska Bankers Assn.
Chairman, Minden Exchange
Bank & Trust Co.
Minden, Nebr.

IT appears the pressure will continue on the agriculture economy throughout 1985; therefore, it is imperative that banks continue to monitor costs and look for new avenues to increase income. I expect most bankers are looking closely at each expense item to determine the value of each dollar spent. Bankers must look at all areas of operations to determine the maximum efficiency.

Many local governments use zero based budgeting, and perhaps bankers may want to consider this approach. Briefly, a budget starts with zero and each item of expense is evaluated. No expense item is a "sacred cow" just because it has been in the budget in the past. I am certain it will be important to be innovative in reducing costs, wherever possible, in 1985.

Income increases will be hard to achieve in 1985; however, they are possible. I am certain many Community Banks now have an insurance agency, but those who do not have one probably should consider it. All fee income which the bank charges should be reviewed, such as safe deposit box rent, personal money orders, and special services (copies, microfilm lookup). As banks continue to become deregulated, bankers must charge for each service they provide. Interest Income will be hard to maintain at the level of prior years.

Improving profit in 1985 will be a difficult and challenging job for all bankers, and those who control both income and expenses best will be the bankers who survive.

JOSEPH M. BOGNANNO

Senior Vice President
Bankers Trust Company
Des Moines, Ia.

IN OUR OPINION, 1985 will, like 1984, continue to be difficult as regards the loan portfolio because of the problems that persist in the agricultural community. Business will, however, continue to be highly competitive in the development of quality loans and deposits.

Because the greatest share of bank income is derived from the loans, we must continue in 1985 to re-evaluate loan quality and pricing as against standards set. The lending officers must be quick to recognize problem loan situations and then make plans to effect solutions to eliminate or at least reduce loss. The pricing of our loans in the portfolio must assure a satisfactory spread over money costs to be commensurate with the risk and produce a satisfactory profit.

As commercial bankers, we must continue to offer services that are cost effective and truly satisfy our customers. In order to be confident we should ask ourselves the following questions:

1. Are the services we provide cost effective?
2. Are staff levels adequate and sufficiently trained to provide good banking service? Are the staff levels too high?
3. Are our physical facilities properly utilized? Are there better ways to utilize facilities and reduce costs?

An important challenge is to maintain an active marketing program. We must continue to sell our services to new and existing customers. It is important to seek out new opportunities to enhance our volume and profitability. A strong marketing program is a key ingredient to a good 1985.

**GARY W. STEVENSON**

Vice President
First National Bank in
Sioux City, Ia.

BANK profits will continue to be under stress in 1985, primarily because of non-accrual and charge-off loans in many banks. Attention will continue to be on bank loan portfolios during the year. We see a profit opportunity in this area by increased rate on carry-debt from prior years provided the credit can be structured properly in terms of performance, collateral and cash flow. Current operating loans can and probably should be written at a lesser rate.

We ask all banks to provide cash flows with overlines and, of course, cash flows should be used on cred-

its maintained in the bank's own portfolio. Micro computers have aided many banks in producing cash flows for customers.

Prevention and reduction of non-accrual and charge-off loans are of prime importance to maintaining a steady stream of bank earnings. Bankers shouldn't be hesitant in asking for additional collateral. Credit documentation, because of its importance in the lending function, causes the most discussion with respondent banks.

We see some reluctance by some banks to increase fees of all types, i.e. overdrafts, DDA service charges, letters of credit, commitment fees and transaction fees for various services. Increased fees on standard services is many times more effective and immediate in results especially if spread over a broad customer base. New services are fine but it may take a long period of time to develop a profitable customer base over and above development costs.

Asset/liability management continues to be a significant tool to use in the profit making process. Banks should continue to develop their system to maximize its effectiveness.

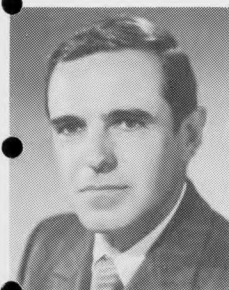
Admittedly, midwest agriculture is under economic stress; however, banks must not forget there are still opportunities to meet customer needs on a profitable basis. We welcome the opportunity to provide our assistance to respondent banks whenever the need arises.

**MICHAEL A. BAUER**

First Vice President
Davenport Bank & Trust Co.
Davenport, Ia.

ALTHOUGH 1985 will present continued challenges to Iowa bankers, we remain optimistic about the ability of our community banks to generate acceptable profits. Certainly, the lackluster performance of our agri-business economy dictates the necessity for constant vigilance in our lending portfolios. Prompt identification of problem credits, and professional, creative, common-sense cooperation in workout situations will help us to maximize our recoveries. As always, we need to constantly examine our sources of non-interest income while we diligently control costs. However, we must not lose sight of the fact that the majority of our profit potential will continue to come from our ability to take in funds at a market rate and re-invest them *safely* at a reasonable margin.

Profitability in any business is dependent on long-term considerations. Beyond the year 1985 all community banks must concentrate on increasing productivity by investing heavily in the most competent staff they can afford. We need to attract and retain good people, and be willing to provide appropriate training and educational opportunities. All of our interests will be better served if we commit ourselves to building a staff of high-quality, management-oriented individuals. The long term benefits promise to outweigh the short term cost.

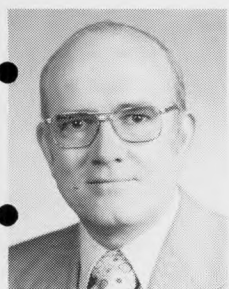


THOMAS M. KING
Vice President
First National Bank of
Chicago, Ill.

THIS immense change occurring in the banking industry today is dramatically impacting your bank. Changes in government regulation are forcing you to make decisions on whether you want to remain independent, merge, or be acquired. Fierce competition from larger banks as well as from other financial services firms is educating customers on a wide range of sophisticated financial products; your customers are demanding more in terms of price, products and service. Moreover, rapidly changing technology is both opening up new opportunities for product innovation and causing you to reassess your cost of providing services.

We agree with the Federal Reserve of Atlanta that "planning, while important in a stable environment, becomes critical for survival in a time of rapid change." In these times of change, you and your managers must step back from daily operations to think ahead to long term corporate goals. Strategic planning at your bank should serve as an integrating device, ensuring that all resources are directed towards the achievement of those goals, giving you more control over the future.

Strategic thinking is not a budget process. It is neither a number-crunching exercise nor a process generating only "buzz" words. Instead, strategic planning is a process that helps you to identify genuine issues and to develop credible solutions. These solutions are more readily found through the participation of your associates in your financial institution. Their involvement in the planning effort develops a realistic and achievable effort. It also helps them to feel much better about themselves and the initiative needed to achieve their objectives. We call it bottom-up planning. It generates enthusiasm from its very inception and produces measurable results by year-end.



LOREN R. ANDERSON
Executive Vice President
National Bank of Commerce
Lincoln, Nebr.

IN ORDER to improve the profit picture for 1985, community bankers are going to have to rely on increased fee and service charge income; and, they'll have to look at increasing efficiencies within the bank's internal operation.

The payment system that banks depend on today on the paper side is a very expensive system. We need to do some accurate costing studies of this system, and

price check-processing services back to the user, at least at a rate to cover costs. In addition, we need to be creative in developing new strategies in the movement of checks so that we realize maximum availability of funds.

The electronic side of the payment system has helped control the growth of the paper side. With expanded ATM (Automatic Teller Machines) usage and more true POS (Point of Sale), we should see a significant reduction in the cost of the payment system. There is still a cost associated with electronic payments but, obviously, it is a lesser cost.

Banks with large volumes of checks to process need to encourage the development of Point of Sale at the merchant's cash register. They need to differentiate their pricing of check service, via service charge back to their consumer, to encourage the consumer to use the electronic mode.

In Nebraska, where we have a sharing environment at the ATM's, and where the establishing bank charge for foreign transactions going through their automated devices, their costs at the present time are not being passed back to the depositor on an individual basis. In order to help offset their costs, I believe we are at a point where we can charge the consumer for his debit card on an annual basis.

If electronic banking is priced adequately, and if it is marketed so that the consumer perceives a value, then consumers will be willing to pay for the cost of using the electronic payment system.



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

BANK PROFITS may be improved in 1985 by intensive administration of the loan and investment portfolio and by belt tightening in all operational areas of the bank. Perhaps the following ideas could be incorporated in your New Year's resolutions:

Budget: Prepare your yearly budget convertible to monthly reporting. Analyze monthly results carefully and attempt for strict adherence to the budget. Establish asset-liability management techniques tailored to your operation and interfacing with your budget.

Credit Policy: Establish and follow a comprehensive credit policy approved by your board of directors. Keep it in tune with the standard of your state and federal regulatory authorities. Train your loan officers to operate within the credit policy in loan selection, documentation, and credit management. Establish credit limits for each lending officer, and monitor performance.

Loan Portfolio: Conduct an on-going credit review with careful study and immediate analysis of all new

HOW TO IMPROVE PROFIT . . .
(Turn to page 59, please)

**Computer forms
from Deluxe.**

**Very
banker friendly.**



WILLIS W. ALEXANDER

By **BEN HALLER, JR.**
Publisher

HOW do you say farewell to a friend you don't want to see take his leave?

That is the personal emotion we felt about Willis Alexander when he told us personally during the recent American Bankers Association convention in New York City that he was planning to retire as ABA executive vice president by January 31. Typically, the setting for this brief, poignant bit of personal news was the rear of the darkened convention hall, well removed from the seated audience.

Willis puffed quietly on his ever-present pipe and commented after breaking the news that he would miss many things by leaving his job, but most of all, he would miss the frequent contact with the bankers who are the heart of ABA. He has always remembered that the members are the reason for ABA's existence.

A Team Builder - and Player

I recall looking up at my tall, handsome friend of 20 years as we talked quietly, and the thought crossed my mind, "How will ABA fare without Willis? He's been at this job 15 years!" But, because I've known Willis for 20 years, I also immediately had the answer to my own question—ABA will get along fine when Willis leaves because as a *first-class executive* he has built a solid team that is capable of carrying on, instead of falling apart just because one important member of the team leaves, even if it's him.

That has always been the ultimate compliment to a CEO—the ability to fashion a team of self starters who mesh well and can operate without him.

That is not to say Willis will not be sorely missed. He *will* be missed, not only for his staff leadership abilities at ABA headquarters in Washington, D.C., but also for the common sense, homespun reports he has given regularly at the annual convention. Because of this strong leadership and common sense, as well as the respect and trust he has earned from all quarters in Washington, Willis is admired as a true "heavyweight" in the nation's capital.

A Salute to Willis!

Hopefully, his perceptive mind, cool thinking, and public speaking abilities will be utilized frequently on banking programs after he leaves his ABA office. Why?

A Lesson Learned Well

Because Willis continues to believe *and* follow a basic tenet of banking service he learned first-hand from his father 50 years ago when Willis, Sr., was president of the Alexander family's community bank, The Trenton Trust Company in Trenton, Mo. That tenet dictates that success of the bank is in direct relation to how well the bank perceives and serves the needs of its customers and the entire community.

It was at the same time—51 years ago to be exact—that Willis learned from his father another lesson he hasn't forgotten. The year was 1933 and Willis, Sr., was president-elect of the Missouri Bankers Association. He took 14-year old Willis and his other son, Maurice, to the old Stevens Hotel (now the Conrad Hilton Hotel) in Chicago for Willis' first ABA convention. The senior Mr. Alexander then served the following year, 1934-35, as president of the Missouri Association. Willis learned the value of "working for the association that works for you." Exactly 25 years later, Willis assumed the same duties as president of the Missouri Bankers Association for the 1959-60 term.

In those 25 years in between, he received in 1940 a B.S. degree from the University of Missouri College of Business Administration, and in 1941 received his M.B.A. degree from the Wharton School of Finance in Philadelphia. After serving six years in the U.S. Navy Supply Corps during World War II, he joined the Trenton Trust Company in 1947. He succeeded his father as president of the bank in 1960.

Six years later, after serving in various ABA positions, Willis began working "through the chairs" in the ABA officer chain. In October 1968, he returned to the Conrad Hilton Hotel—just 35 years after his first

hip there as a 14-year old boy—and assumed the presidency of ABA. The only mar to that event was that Willis, Sr., died a few months earlier and did not see his son installed.

Prior to that election, we had an opportunity to do a feature interview with Willis in his home town for the September 1968, issue. Some of his comments from that interview reveal his long-standing beliefs. He said at that time that "among the most important questions bankers must resolve are those pertaining to the changing structure of banking itself, the future of country banks, and its related subject of the future of small towns."

He said "I would endeavor to encourage banking to adapt itself to changing public requirements and needs to the end that it can serve the economy and community development. Yesterday is not good enough. The status quo is unsatisfactory. Our eyes must be on tomorrow, for the needs of the public will be made known by the public and not by bankers."

On structural change, he added, "It is unrealistic to say that *any* form of banking—whether unit, branch, holding company, etc.—is forever hallowed. It is good so long as it serves the public need. When it doesn't, it must change to meet that changing public need. In my judgment, the unit bank can *still* serve the community need, but it must run with its focus on the future, rather than on the past.

"Evidence has shown that unit banks cannot only survive but serve even *better* in competition with branch and holding company banks because they are forced to be competitive. If you *want* to survive, you *can*, and we don't need to legislate protective boundaries for ourselves."

● His Independent Bank Is a Competitor

Proof of that strong belief, simply stated 16 years ago, is his own Trenton Trust Company. As one of three community banks in Trenton, it is now the only one that is still an independent, home-owned bank. The other two are part of multi-bank holding companies in St. Louis and St. Joseph. The record shows that at mid-1984, Trenton Trust Company had \$58 million in assets, deposits of \$50 million, and net income of \$424,000, with two offices in nearby smaller towns. At the same time, the two MBHC banks held \$78 million in assets and their combined earnings were \$320,000—75% of the single independent community bank's income.

Another interesting fact we noted in reviewing that 1968 interview with Willis was one of the pictures accompanying the story. It showed Willis, then president, with three of his vice presidents—Curtis LaFollette, George Constant and Edward E. Holt. Today, 16 years later, all three are still with Trenton Trust Company, running the bank the past 15 years while Willis has been serving with ABA. Curt LaFollette has been president for some years; George Constant is senior vice president for loans, and Ed Holt is senior vice president for marketing.

Willis has continued actively as chairman of the Trenton Trust Company, returning one Saturday each month for the board meeting. Other than helping set policy as board chairman, he continues to delegate authority to these three and as he says, "they run the bank." In 15 years, he has missed board meetings only two or three times. In addition, Willis is co-publisher of

the *Trenton Republican Times*, a 120-year old hometown newspaper.

A Caution on Agriculture

On the agricultural front, an important element for rural Trenton, Willis said in that interview of 1968 before becoming ABA president, "Country bankers should recognize the 15-25 percent of the farmers they can live with for the next five to 15 years to come, and go with them. Schedule in one year of failure and stay with them. Certainly, we must serve the needs of other farmers but don't devote the same amount of time as with the others who will be the heart of your business.

"The banker must make a judgment as to whether he can help an individual make money. If he can't, he's better off demurring at the start. The same holds true for business credit, so why any difference? Just because farmers want, or farm-related industries say they want it, *doesn't* make it a real credit need. It's the same as business credit—if the farmer can't respect his credit standing, he'll lose it." Those statements were made as the active president of a rural, farm-oriented community bank.

1969 Brought Career Change

Willis' change of career from the community bank presidency to chief staff officer of one of the most respected trade groups in the nation began in January, 1969, when he was ABA president. Dr. Charles E. Walker, then ABA executive vice president, was drafted away from that post to become Under Secretary of the Treasury. At their spring meeting in White Sulphur Springs, W. Va., ABA executive committee members, impressed with the job the 50-year old association president was doing, asked him to take Dr. Walker's post. At the conclusion of his term as president of ABA at the 95th convention that fall in Hawaii, Willis became executive vice president.

Thus began not only an exciting new career for Willis, but a well-planned new direction for ABA, orchestrated by the community bank president from Trenton, Mo., working in concert with top banking leaders from around the nation.

Highlights of that string of 15 years of dedicated service must include the following:



THIS typical picture shows Willis Alexander having an informal discussion in the ABA headquarters conference room with a group of visiting Community Bankers. Seated at right is Gerald Lowrie, exec. dir. of ABA's Government Relations Division.



ANOTHER typical picture shows Willis with his wife Sandy beside him as they share family experiences with J.C. Milner (left), whose husband, Neil Milner, is exec. v.p. of the Iowa Bankers Assn.

- Getting ABA headquarters moved from New York to Washington, D.C., in early 1971.

- In that same year of 1971, working with ABA President Allen P. Stults, then chairman and CEO at American National Bank & Trust Company of Chicago, to implement a complete restructuring of ABA's membership to put in place a new structure that still prevails in great measure—one designed to reflect more closely the functions of a commercial bank.

- Drafting of the ABA's guidelines for defining ABA's posture on major banking questions; a set of four guidelines that still govern the way ABA leaders look at any new product, service or public policy issue. Willis presented these to the 1975 convention in a talk aimed at "sorting out basic truths from myths in banking."

- Developing the Banking Leadership Conference which brings 400 banking leaders together several times each year to consider legislative matters of critical importance and to form a consensus for guidance of ABA's Government Relations Council. This same Leadership Conference format has been adopted by a number of state associations so that grass roots development of consensus can be taken to the national BLCs.

- Development of a Government Relations Division, headed by Gerald Lowrie, that is respected as one of the finest, if not the best, among all trade associations in the nation's capital.

- Development of an outstanding executive management staff that supervises a total staff of 400 persons working out of ABA headquarters handling all association duties.

- Development of a newly-structured educational system that now takes bankers through several levels of education from AIB and other beginning levels to executive management seminars at the top level.

Four Criteria for Policy Formation

The four criteria referred to above and used by ABA for developing a position on public policy issues are worth repeating here. Willis places such faith in these criteria that he had them set in large type and made a permanent fixture in the conference room at ABA headquarters:

1. How do these issues affect bank customers? Do

they provide ways for the bank customer to benefit, and if so, how?

2. How will these issues affect the broad competitive environment? Are they pro-competitive? Do they make sense in terms of our economic system? Will our answers to these questions enhance or hinder banks' ability to compete with other financial institutions?

3. Will our answers to these questions be consistent with national and economic social priorities?

4. How do these questions affect our ability to achieve or maintain equal competitive ground rules among the various types of competing financial institutions? And, do our answers to these questions provide the opportunity to competitive financial institutions to remain viable and profitable, regardless of size?

In concluding that 1975 convention address, Willis said the new climate "requires a recognition that the banking system is not designed for bankers, and won't be preserved for bankers...banking has a higher sense of responsibility to the community than many other businesses...none of this guarantees us a monopoly on financial services if we fail to meet the changing needs of our customers. And, we do not have the right to decide for the customer what he should want...We must decide these issues in the public interest. The key question is: Will we?"

Banking Leadership Conference

One of Willis' greatest efforts in recent years has been to make sure every banker and every bank, regardless of size, has had an opportunity to make their voices heard at the national level in order to dispel the myth that "ABA is for big banks." The vehicle has been the Banking Leadership Conference, in which locally elected and appointed banking leaders are given the benefit of banker input from their own states, then take that input to the national BLC for round table discussions. After one or more days of such discussions, the group of 400 or more from all sizes of banks, arrives at a consensus and that guides the policy-making of the Government Relations Council for legislative endeavors.

Farewell Address

Last October, in what turned out to be his farewell address as Executive Vice President, Willis expressed the regret that some chose to continually criticize that effort, even after the consensus had been arrived at by a high percentage of those participating. He said, "the existence of the Banking Leadership Conference argues that what we have in common is more important. But, on the other side, our internal struggles argue 'No'...those few were able to shatter what had taken so much time and so much effort to create.

"It has been a personal disappointment to me that whenever we begin to grasp the answer to so many of our problems—we cannot resist the temptation to turn and grapple with each other instead...The real fight today is not big versus small—it is Sears versus all. There are no big bankers. There are no small bankers. There are only bankers, whether they work for large or small institutions. Yet, we continue to fight among ourselves."

He identified two words, "Interstate Banking," as

WILLIS ALEXANDER . . .

(Turn to page 73, please)

A Plain English Guide to Asset/Liability Management

ABOUT THE AUTHORS

Paul Lindsey is president and CEO of Farmers National Bank of Geneseo, Ill., 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 V

Ed. Note: This is the fifth and final installment of the booklet titled, "A Plain English Guide to Asset/Liability Management." This final part is accompanied by selected questions asked by bankers with answers furnished by the authors. A free copy of the entire booklet is available for those subscribers wishing to review it in detail and perhaps use it as a training manual with the staff.

Asset/Liability Management Models

BASED on our "simple" example of ALM, one sees the complexity involved in keeping track of the balances, rates, etc. However, the availability of computers has made asset/liability management both practical and timely. Furthermore, with the advent of microcomputers, asset/liability management is a feasible management tool for all banks.

Many banks already have microcomputers. Some use them extensively, while others let them set and collect dust. At first, we were hesitant and even a bit uncomfortable about using a microcomputer. However,

micros have come a long way in the past few years with many models being very easy to use.

Software is the computer program that operates on the computer hardware. A wide variety of microcomputer software is available including word processing, mailing lists, and spread sheet programs. ALM is one of the many microcomputer software applications available for financial institutions today.

Currently, a wide variety of ALM software packages exist. Prices range from about \$500 to over \$30,000. Why the difference? As in most everything - you generally get what you pay for.

Based on our experiences, we make the following suggestions when purchasing an ALM model:

1) **You get what you pay for.** A good ALM software model may cost between \$5,000 and \$10,000 or more. Asset/liability management is just as important as any other bank function, so don't buy something you'll quickly outgrow. The less expensive models usually give current gap only, and do not have the capability to project your financial statements. The more comprehensive models have *both* current and future gap capabilities, as well as projected statements. An ALM model is an investment and should be evaluated accordingly. Look at the costs versus the benefits.

2) **Beware of "off the shelf models."** Some models claiming to be used for ALM are a modification of non-bank related financial software. These models tend to be a mail-order item for which the vendor *does not* provide any on-site training or installation. Although these models have limited use, you may quickly outgrow them. The purchase price of a good model should include a one to two day training/installation session at your bank.

3) **Is it truly ALM?** Some models claim to be ALM, but upon closer examination, you find they are *only* budget/profit planning tools. A good comprehensive model provides not only budget/profit planning, but also ALM and long-range strategic planning. Remember, **bank management includes all three disciplines.**

4) **Shop around.** Solicit at least three vendors and compare the features, support, etc. Ask questions about their training, how long their model has been in use, etc. You may want to use the checklist in Figure 17 to evaluate various models. An ALM model is a major purchase and shouldn't be taken lightly.

5) **Does the vendor understand the banking industry and your bank?** Many ALM models have been written by non-bankers. Generally, the better models are devel-

“Proper use of ALM and taking the necessary steps to implement it *can* improve your profitability.”

oped by bankers or CPAs who understand the banking industry and the financial implications involved.

6) **Once you purchase an ALM model - use it.** With deregulation, volatile interest rates, etc., the business of banking gets tougher and tougher. You should *constantly* monitor the present and potential future conditions and factors that may affect your bank. ALM can help you avoid unwanted surprises and identify new opportunities. Proper use of ALM and taking the necessary steps to implement it *can* improve your profitability. It can more than pay for the cost of a microcomputer and ALM software. Also, remember that your microcomputer can be used for many things besides ALM.

Do You Have a Question on ALM?

MANY fellow bankers have asked us about ALM as a subject and ALM issues. Below are some of the more common questions we've been asked and our answers to them:

Q: I'm a \$10 million rural bank and I'm the only bank in town. Do I need ALM?

A: Yes, but you may use a less sophisticated approach. The time you spend on ALM may be a fraction of that spent by a \$500 million urban bank. The purpose of ALM is to manage your portfolios in order to attain your goals at an acceptable level of risk. We believe that even the smallest banks can benefit with a formal ALM program. At a minimum, ALM gives you a “gut” feeling of what potentially could happen to your bank in the future. If the purchase of ALM software is a major hindrance, consider a service bureau arrangement. Some software vendors and consulting firms do offer this service. This alternative gives you the opportunity to get comfortable with a formal ALM program before making an outright purchase. For a small community bank, this approach can be very cost effective.

Q: I'm still not sure if I fully understand ALM. Where can I learn more?

A: The BAI, ABA, IBAA, and state bankers associations periodically sponsor ALM schools and seminars. They also publish guides on the more sophisticated aspects of asset/liability management. A few ALM software vendors include ALM training as part of the purchase price of their models and/or consult on ALM strategies.

Q: I understand the “gap” concept, but why do I need to analyze both current gap and future gap?

A: Current gap is fine for looking at your current situation. However, your gap position changes each day, possibly changing in an undesirable direction. For this reason, you must plan ahead, look for trends, and determine how changes in various factors may change the direction of your bank's performance. Only a projected gap analysis allows you to do this.

Q: Who should be in charge of ALM in our bank?

A: The ALCO should be responsible for ALM. One of the ALCO members should be responsible for running the various strategies and scenarios on the micro model, including “what-if” analysis. At Packers National and Farmers National, the Controller handles this function because of his/her familiarity with the financial structure of the bank.

Q: How many “what-if” scenarios should I run?

A: As many as necessary to make you feel comfortable. Each month we usually run three scenarios: 1) a “most-likely” case, 2) a “best” case, and 3) a “worst” case. It's important to cover a range of scenarios without getting “overloaded” in dozens of scenarios. The ALCO reviews each of the three scenarios, and the “most-likely” is shown to our board of directors. As new conditions develop, we may run more than three scenarios.

Q: There appears to be a great deal of number crunching and data entry in ALM. Is ALM more trouble than its' worth?

A: No. We believe ALM is an essential tool for proper bank management. It has improved the profitability of many banks, including those of the authors. With proper planning through ALM, users are able to avoid many undesirable situations and to identify new opportunities. A microcomputer can handle the “number crunching.” Data entry for most models is relatively quick and easy.

Q: Can you give me a specific example of how ALM can help my bank?

A: In early 1984, many banks had high interest rate 30-month CDs maturing which were originally issued in 1981. Here you have an opportunity to reposition your balance sheet and take advantage of the relatively low rates that existed in early 1984. What's your strategy? Let's take a step-by-step approach.

First, look at your current gap. It shows that the 30-month CDs mature *and* replace at the same time.

Second, project your future interest rates on new issues of financial statements, including 30-month CDs, six-month CDs, etc. Your ALCO would generally make these projections.

Third, project your growth in assets, deposits, etc. This step is necessary so that your particular strategy is congruent with the bank's overall goals.

Given the future rates scenario, next determine which type of CD instrument is the most advan-

A/L MANAGEMENT . . .

(Turn to page 59, please)

FIGURE 17

ALM SOFTWARE EVALUATION FORM

	VENDOR A	VENDOR B	VENDOR C	VENDOR D
ASSET/LIABILITY MANAGEMENT MODEL:				
NAME OF VENDOR:				
TYPE OF PROGRAM:				
SPREAD SHEET MODEL OR CUSTOMIZED PROGRAM				
HARDWARE REQUIREMENTS:				
MAKES & MODELS				
OPERATING SYSTEM				
MEMORY REQUIRED				
NUMBER AND TYPE OF DISK DRIVES				
OPERATES ON EXISTING MICRO SYSTEM				
EASE OF USE:				
MENU DRIVEN				
USER PROGRAMMING KNOWLEDGE REQUIRED				
EASE OF DATA INPUT ROUTINES				
FLEXIBILITY:				
USER-DEFINED ACCOUNTS				
TOTAL NUMBER OF B/S ACCTS AVAILABLE				
TOTAL NUMBER OF MON-INT INC & EXP ACCTS				
NUMBER OF PERIODS WHICH MAY BE ANALYZED				
ADJUSTABLE INDIVIDUAL TIME FRAMES				
SOPHISTICATION:				
CURRENT (STATIC) GAP ANALYSIS				
DYNAMIC GAP ANALYSIS				
SIMULATION				
OPTIMIZATION (GOAL-SEEKING)				
INTEREST-RATE PROJECTION MODULE				
OTHER FEATURES:				
GRAPHICS CAPABILITY				
BUDGET/PROFIT PLANNING INCLUDED				
MAINFRAME DOWNLOADING CAPABILITY				
VENDOR SUPPORT:				
TOLL FREE HOT-LINE				
KNOWLEDGE OF FINANCIAL INDUSTRY				
CONSULTING AVAILABLE				
PURCHASE PRICE:				
SOFTWARE				
MAINTENANCE FEE				
INSTALLATION COST				
TRAINING AND ALM COUNSELING				
OVERALL RATING (1 TO 10)				



Its Impact on Banks in 1985

Written especially for
THE NORTHWESTERN BANKER by
DAVID S. STRUTT and NICHOLAS H. ROBY
Members, Davis, Hockenberg, Wine, Brown & Koehn
Des Moines, Ia.

BEGINNING January 1, 1985, a lender who collects on a debt by acquiring an interest in property which secured the debt, or who has reason to know that the property has been abandoned by the debtor, may be required to file an information return with the Internal Revenue Service and to furnish a similar statement to the debtor.

These new reporting requirements, enacted as part of the Tax Reform Act of 1984, will enable the IRS to better identify situations where there may be a gain on foreclosure of property, discharge of indebtedness income, or recapture of investment tax credits. Since the new Act directly affects all banks, here is a brief review of its provisions:

1 Lenders Subject to the New Reporting Rules. The new reporting requirements are applicable to persons who lend money in connection with their trade or business. Thus, they will obviously apply to all banks.

2 Scope of the New Reporting Rules. The new reporting requirements, which are effective for acquisitions and abandonments of property after December 31, 1984, are applicable to (a) all loans secured by real property, whether or not such real property is held by the debtor for investment or for use in a trade or business (including home mortgage loans); (b) most loans secured by an interest in tangible personal property, but only if such tangible personal property is held by the debtor for investment or for use in a trade or business.

Therefore, consumer loans (any loan made to an individual secured by an interest in tangible personal property which is not held for investment and is not used in a trade or business) will not be subject to the new reporting requirements. If the tangible personal property securing the debt is held by the debtor for both personal use and for use in a trade or business or for investment purposes, the acquisition or abandonment of such property is subject to the reporting requirements.

Loans made to individuals and secured by personal property of a type that is ordinarily used for personal

purposes, such as automobiles, boats or major appliances are subject to the reporting requirements only if the lender knows that the property will be used by the individual debtor in a trade or business or for investment purposes. For this purpose, a lender *knows* information if the information is included on the books and records of the lender (or its agents) pertaining to the loan, or is known by the lender (or its agents, officers, partners, principals or employees), but only if such information was acquired in the lender's ordinary course of business activities.

The new reporting requirements are invoked upon (a) the acquisition of the secured property by the lender in connection with the collection of the debt secured by such property, or (b) the abandonment of the secured property by the debtor, if such abandonment is known by the lender. For this purpose, abandonment is broadly defined.

3 Acquisition of the Secured Property by the Lender. Real property, or tangible personal property held by the debtor for use in a trade or business or for investment, acquired by the lender in connection with the collection of a debt secured by such property is subject to the new reporting requirements. An interest in property is acquired by the lender on the earlier of the date titled is transferred to the lender or the date possession and the burdens and benefits of ownership are transferred to the lender.

If applicable state law provides for an objection period within which the borrower and other appropriate parties may object to the lender's proposal to retain the property in satisfaction of the debt, a lender is treated as acquiring an interest in the property on the date this objection period expires. Similarly, if the lender purchases the property at a sale held to satisfy the debt, such as a foreclosure or execution sale, the lender is treated as acquiring an interest in the property on the later of the date of the sale or the date all applicable rights of redemption, if any, expire.

The new reporting requirements also may be invoked even if the lender acquires only an indirect inter-

“Lenders subject to requirements are liable for a \$50 penalty for each failure to file, subject to a maximum of \$50,000 for any calendar year.”

est in the property. For example, the acquisition of an interest in a partnership, trust or other entity in full or partial satisfaction of a debt that is secured by assets owned by such entity will invoke the reporting requirements. However, if a lender takes possession of secured property for a limited purpose only, such as completing construction on or improvement to the secured property, the lender is not treated as acquiring an interest in the property at that time.

4

Abandonment of the Secured Property by the Debtor.

A lender also must file an information return with the IRS if the lender has reason to know that the secured property has been abandoned by the debtor. For this purpose, if a party other than the lender purchases such property at foreclosure, execution or similar sale, the lender will be treated as having knowledge that the property has been abandoned and must report accordingly to the IRS. When the lender in the ordinary course of business becomes aware (or should become aware) of circumstances indicating that the property has been abandoned, the lender will be deemed to know all the information that would have been discovered through a reasonable inquiry.

For example, if a debtor has failed (without adequate explanation) to make payments on a loan for a substantial period, the lender must make a reasonable inquiry to determine whether there has been an abandonment. If a reasonable inquiry would reveal objective facts and circumstances indicating that the debtor intended to, and has, permanently discarded the property from use, then the lender has reason to know that the property has been abandoned.

If a lender has reason to know that the secured property has been abandoned, but it reasonably expects to commence foreclosure, execution sale, or similar proceedings within three months, the lender need not report the abandonment. Instead, the lender will file the information return when he acquires an interest in the property. However, if the lender does not, in fact, commence such proceedings within the three-month period, the lender's obligation to report the abandonment arises at the close of the three-month period.

5

Form and Manner of Information Return.

Returns reporting the acquisition or abandonment of secured property generally must be filed with the IRS on magnetic media similar to returns regarding payments of interest. However, some lenders may be permitted to report the information on manually-prepared IRS Forms 1096 and 1099. The return must be filed on or before the end of February of the year following the calendar year in which the acquisition of an interest in the property occurs or in which the lender knows or has a reason to know of the abandonment of the property. The following information must be included on the return:

- (a) The name and address of the debtor;
- (b) The debtor's tax identification number;
- (c) A general description of the property securing the debt;

(d) Whether the debtor is personally liable for the repayment of the debt;

(e) The date on which the lender acquired an interest in the property, or first knew or had reason to know that the property had been abandoned;

(f) The amount of the debt outstanding at the time the interest in property is acquired (or as of the date on which the lender first knew or had reason to know that the property had been abandoned);

(g) If the debtor is personally liable for the repayment of the debt, the fair market value of the property at the time the interest is acquired by the lender (or at the time the lender first knew or had reason to know that the property had been abandoned);

(h) In the case of an acquisition, the amount of the debt satisfied by the acquisition; and

(i) Any other information as may be required by the IRS Forms 1096 and 1099.

A lender also must furnish a statement to each debtor whose name is required to be set forth in the information return filed with the IRS. The debtor must be provided with the same information set forth in the return filed with the IRS. Additionally, a legend stating that the information is being reported to the Internal Revenue Service should be included on the statement. The statement must be furnished to the debtor on or before January 31 of the year following the calendar year in which the acquisition or abandonment of property occurs, even though the returns need not be filed with the IRS until the end of February.

6

Penalties. Lenders subject to the new reporting requirements are liable for a \$50.00 penalty for each failure to file an information return to the IRS, subject to a maximum of \$50,000.00 for any calendar year. The penalty may be avoided if the failure is due to reasonable cause and not to willful neglect. If, however, the failure to file with the IRS is due to intentional disregard of the filing requirements, the penalty is not less than 10% of the aggregate amount not properly reported and the \$50,000.00 limitation does not apply.

Additionally, a lender who fails to furnish the required statement to the debtor is subject to an additional \$50.00 penalty for each missing statement, up to a maximum of \$50,000.00 for any calendar year. Again, the penalty may be avoided if it is shown that the failure is due to reasonable cause, and not to willful neglect. It is possible for both the penalty for failure to file information returns with the IRS and the penalty for failure to furnish statements to debtors to apply.

It is possible under some circumstances to obtain an extension of time to file the information returns, not to exceed 30 days. The application for an extension of time must be addressed to the director of the service center with which the returns must be filed, and must contain a concise statement supporting the good cause for allowing an extension. The application generally must be filed after September 30 of the current year, but before January 15 of the following year, to be effective for the current calendar year. □

BAI's ATM 7 + Gives Bankers State-of-the Art Electronic Report

By **STEVEN BURCH**
Associate Publisher

"EVERYTHING YOU ever wanted to know about electronic delivery systems but were afraid to ask" could very well have been the sub-title to Bank Administration's ATM 7+ conference held recently in New Orleans. The four day event included a full day of crash courses; a total of 57 concurrent sessions; grandiose exhibits displaying state of the art equipment, and receptions on river boats, complete with dixieland bands and southern belles.

Linda Fenner Zimmer, well-known industry consultant, opened the conference with her traditional status report of retail payment systems which focused on ATMs and point of sale. She estimates that as of December 31, 1984, some 4,500 financial institutions had ATMs and that these institutions account for approximately 59,300 machines. She notes that 13,300 ATMs were shipped during 1984 and this represents only the second dip in annual shipments since she began charting the data in the late 1960s. She feels that the shipment decline is a result of several institutions participating in long range strategic planning and positioning. The result has been to place all new electronic banking endeavors "on hold." Also, she points to many institutions being concerned with earnings and thus

placing an emphasis on capital preservation. Additionally, with the growing interest in, and pilot activities with, POS, she notes that there is a concern that POS may be competitive with, rather than complementary to, ATMs.

For 1984, Ms. Zimmer estimates that 3.91 billion ATM financial transactions will take place and account for \$110.8 billion in withdrawals and \$223.1 billion in deposits. "The implication is that ATMs are beginning to have a stabilizing and ultimate displacement effect on both personal checks and, consequently, the number of human tellers. ATMs are having an impact!"

Turning her attention to the status of POS she warns, "POS funds transfer have finally advanced from the dreamer stage to one in which a number of pilots are underway around the country—and even a few full-fledged programs. That's the good news. The bad news is that POS is being spearheaded by a number of diverse groups, each with its own ultimate objectives and perspectives; hence, a definitive presentation on the status of POS in the U.S. is almost impossible at this point."

Despite the infancy of POS, Ms. Zimmer has been able to diagram three parallels with the developments of the more mature ATMs. 1.) Marketing is essential. The consumer determines the success or fail-

ure of a product in the marketplace, and neither ATMs or POS are exceptions to this rule. 2.) Reliability/up-time is critical. If reliability and up-time were important with ATMs, they become absolutely critical with POS. With an inoperative ATM, a customer is primarily inconvenienced. With an inoperative POS terminal a customer is embarrassed and angry. The consumer must be accommodated if POS is to succeed. 3.) Lack of consumer demand. Just as with ATMs, the consumer is not demanding POS.

Ms. Zimmer concluded her update with a review of videotex services and home banking pilots. Acknowledging that both are the wave of the future, she added that progress is much slower than predicted.

Typical of the 57 concurrent sessions held during the conference was "The Checkless Account—When, How, Why?" Conducted by Rick Wilhide, senior marketing officer, Wilmington Trust Co., Wilmington, Del., this presentation examined the likelihood of a checkless society. While many people would like to have a totally checkless account, surveys show that realistically it is far into the future. Nonetheless, check volume has slowed from 5-6% in annual growth during the 1974-1979 period to the current 2% level. Citing a special report compiled by the Federal Reserve Bank of Atlanta in 1983, "Displacing the Check," Mr. Wilhide noted three phases of check displacement: acquisition of cash, retail purchases, and payment of bills. He added that the technology needed to replace checks has either been developed and is in the market or is on the verge of being incorporated into new products.



LEFT—Don Ridgeway (left), mktg. mgr., Identix Inc., demonstrates fingerprint identification screener in the exhibit hall. **RIGHT—**Over-flow rooms were the hallmark of the ATM 7+ conference.



Dale Dooley, president, ITS, Inc., conducts session on success of POS project in Iowa.

Cash displacement through the use of ATMs is already taking place, however, only 33% of the customer base are active ATM users. Two conditions must exist before ATM systems begin to have a major impact upon delivery system costs. A significant proportion of current traditional teller transactions must be made to ATMs and a significant number of customers must become plastic users for ATM and POS access.

The scramble for POS as a retail purchase displacement is on with retailers and oil companies leading the way. The popularity of debit cards among retailers and bankers results from them being seen as fast, convenient and less costly than checks. However, before debit cards become widely accepted by consumers, three areas must be addressed: 1.) Alternative payment methods, primarily credit cards and checks, will have to become less attractive; 2.) Debit cards may have to offer some explicit inducement for widespread acceptance. 3.) Consumers must become accustomed to the absence of cancelled checks as receipts for transactions.

The electronic payment of bills is an area less clearly defined. The largest number of checks written are to pay bills, therefore, a significant check reduction will not be seen until this area is addressed. Mr. Wilhide suggests that there is a renewed interest in telephone banking because of all the media attention about home banking through terminals in the home. Many consumers are asking why they have to invest in an expensive terminal when they already have an inexpensive access

Minneapolis to Host Community Bank Executive Development, March 10-14

STATE banker associations in 15 states are co-sponsors of the 1985 Community Bank Executive Development Program scheduled for the Amfac Hotel in Minneapolis, March 10-14. Known by the nickname of the "CEO Survival School" by many bankers, this popular school is being co-sponsored by California, Colorado, Idaho, Illinois, Iowa, Minnesota, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wisconsin and Wyoming.

Using a detailed case study of a hypothetical community bank, the intense, four-day program will offer training in essential techniques and technology for senior bank managers. Among the topics to be covered are: asset/liability management, strategic planning, microcomputer technology, market research, product development, pricing and human resources planning.

The case study approach, which is new for this program, will have several advantages, according to Randall A. Killebrew, chairman of the ABA Community Bankers Council and president of the First National

Bank of Petersburg, Ill. It will fully integrate all of the separate classroom presentations and will allow bankers to test the theories they learn by implementing them in the case study's community bank.

The bankers will be divided into teams that will meet each evening to discuss how they feel the bank should be run, based on the day's classes. Microcomputers will be available to be used in evaluating the management decisions.

"This is a rigorous program that will make community bank CEOs better decision-makers so that they can keep their banks profitable and productive," stated Moore. "It has been designed by community bankers for community bankers."

The dates and locations for the 1985 programs are: February 24-28, San Francisco, Hyatt Embarcadero; March 10-14, 1985, Minneapolis, AMFAC; and May 5-9, 1985, Williamsburg, VA, Williamsburg Inn.

Additional information on the 1985 ABA Community Bank Executive Development Program is available by calling Meg Battle at ABA, (202) 467-4013.

device in the home, a telephone. "There is no question that home banking will arrive, it is here today.

The interest of those attending ATM 7+ was evidenced by the overflow capacity of the sessions which

began each morning at 8:30 a.m. and ran through 5:00 p.m. The sessions focused on ATMs/Marketing; ATMs/Operations; ATMs/Strategic Planning; POS/Marketing; POS/Strategic Planning, and Home Banking. □

We are pleased to announce that

Dick Taylor

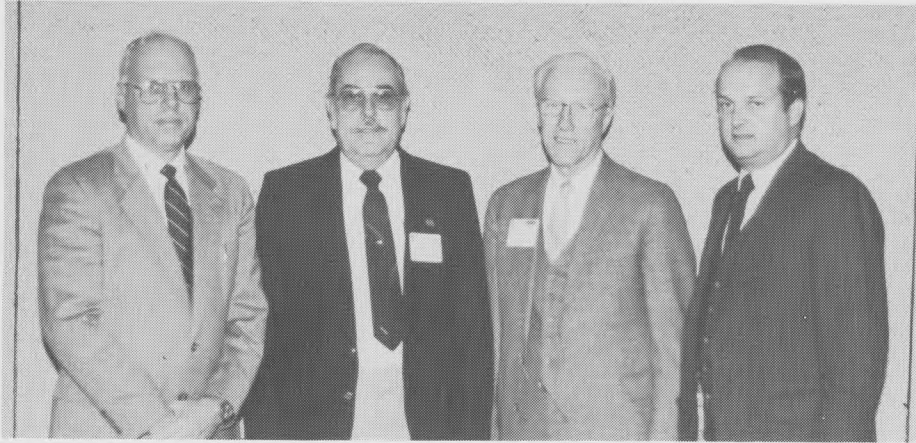
is now associated with us as a registered representative at our Sioux City office.



**Piper, Jaffray
& Hopwood**
INCORPORATED

SINCE 1895 • MEMBER SIPC, NEW YORK STOCK EXCHANGE, INC.

NEBRASKA AT FIFTH ST.
SIOUX CITY, IA 51101 712/252-4072



IBA 1985 Officers; Treas.—John Luttrell; Secy.—Harlan Yates; Pres.—James Forster, and Vice Pres.—Tom Andes.

James Forster Elected IBA President

By **STEVE BURCH**
Associate Publisher

JAMES FORSTER was elected to serve as president of the Illinois Bankers Association during the recent IBA annual meeting. Mr. Forster is chairman of the DeKalb Bank and will assume his office on January 1, 1985. IBA President Charles Wilson, chairman of First National Bank of the Quad Cities, Rock Island will remain on the board of directors as immediate past president. Other 1985 IBA officers elected were:

Vice President—Thomas Andes, president, First National Bank, Belleville.

Secretary—Harlan Yates, president, Cisne State Bank.

Treasurer—John Luttrell, president, First National Bank, Decatur.

During the annual meeting, which was held in conjunction with the IBA Bank Management Conference, IBA President Wilson reported on the recommendations of the Special Task Force on Bank Structure. The

32 member task force, representing a cross-section of the IBA membership, addressed three key issues and made the following recommendations:

Community Service Facilities—The IBA should support the authorization of community service facilities to offer all banking services permitted at main bank offices and the authorization for the establishment of two additional community service facilities. This would allow a total of five facilities with the Home Office Protection provisions of the current law remaining unchanged. The IBA board voted 28-0 in favor of this recommendation.

Intrastate Banking—The IBA should support legislation, effective January 1, 1986, authorizing bank holding companies to operate statewide by eliminating the five banking regions as described in the Illinois Banking Holding Company Act of 1957, as amended, January 1, 1982.

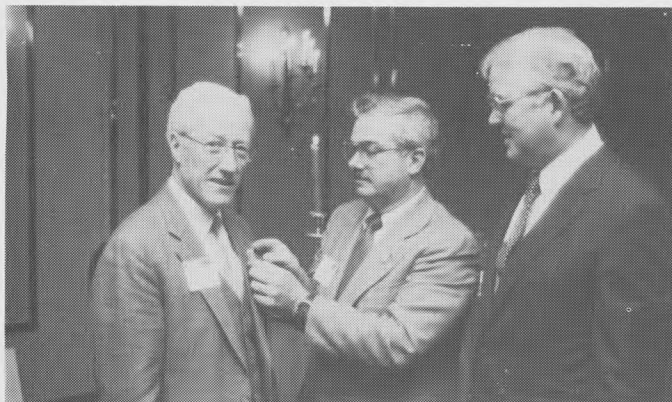
Interstate Banking—The IBA should support legislation which would permit bank holding compa-

nies located in states contiguous to Illinois to acquire banks in Illinois on a reciprocal basis beginning January 1, 1986. The board vote was 24-4 on the intrastate and interstate banking issues.

Acknowledging the association's self-imposed 2 year moratorium on banking structure legislation, Mr. Wilson pointed out that current Illinois banking laws are viewed by many within the industry to be antiquated and archaic. "As a board we would not be serving the IBA membership if we did not lead the way with positive and progressive responses to the changes occurring within the banking industry. The issues which we have confronted have indeed been complex. At the same time they have been deceptively subtle, in that we have been forced to reflect on the very nature or essence of our industry. We have been offered a proposition, which asks whether we are prepared to expend the limits of our resources to preserve banking as it has existed for scores of years, or whether we will have the energy, inventiveness and unified courage to take the lead in shaping the future."

In comparison to the dramatic undertakings of the IBA board, the remainder of the Bank Management Conference may have been anti-climactic. But not so. The keynote speaker was Dr. Barry Asmus, former professor of economics at Boise State University. Well traveled among banking conventions in recent years, the very popular Dr. Asmus is indeed a champion of the free enterprise system.

The premise of Dr. Asmus' economic philosophy is that the true wealth of any nation is not in her natural resources, but rather in her people. Nations prosper where their



LEFT—IBA President Charles Wilson (center) adjusts President's pin on newly elected IBA President Jim Forster (left), while IBA Executive Director Bill Hocker looks on. Mr. Forster assumes his office on Jan. 1, 1985. **RIGHT**—Conference speakers included: Alan Alport, Arthur Andersen & Co.; Dr. Barry Asmus, and Conference Chmn. Harry Cruncleton, pres., Bank of Belleville.



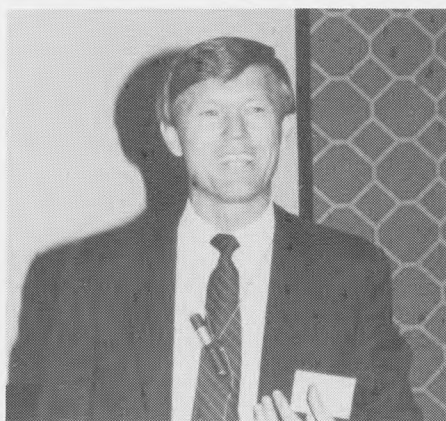
people are free to participate in private ownership capitalism. He adds that the prerequisites for a free economy are a high savings rate among the citizens combined with a low marginal tax rate which leads to the investment by entrepreneurs in production tools. As an example of this process he notes, "Thomas Edison didn't bitch about the dark...he did something about it!"

Critical of the socialistic teachings advocated in the economics classrooms of the 1960s and 1970s, the professor boasts of his conversion to capitalism. "There is no such thing as an obscene profit." He also noted that ideas are changing on American campuses and there is an exciting shift to the right. "A free market with limited government involvement is the only moral way to go."

Calling for the privatization of nearly all government services, Dr. Asmus suggests that the only two areas of legitimate government involvement in any society are in national defense and the judicial system. "You know we have a problem when there are nearly as many employees working for the USDA as there are farmers in this country. In Idaho the legislature meets once every year for 60 days. For years I

two, four or six years. "Do you know that a politician's first words when he comes out of the womb are 'Let's pass a law.'"

Dr. Asmus closed by giving a homework assignment to the bankers. "One, teach your children to work, and secondly, read a good book and pass it on."



Dr. Barry Asmus gives a homework assignment to the bankers during his presentation.

Alan Alport, tax partner with the Chicago office of Arthur Andersen & Co., had the unenviable task of explaining the ramifications of the Tax Reform Act of 1984. He was quick to point out that at this point the bill is not legislation but only theory. He cautioned against panic or over-reaction and noted that even though the initial response in the banking industry has been negative, the smart money in Washington is betting that the bill will not pass. He warned, however, "The smart money has been wrong before."

The bill in its present form is strictly a down payment mechanism on the federal budget deficit. It is characterized by lacking a consistent theme, being strictly a revenue enhancer and hitting hard at the banking industry. It will not impact individuals greatly, however.

Areas to be affected within the banking industry include taxation loan loss reserves; the timing of IRA contributions; the repeal of the net interest exclusion scheduled for January 1, 1985; below-market and interest free loans; interest deductions on municipal bonds; tax credits for ESOPs, and golden parachute retirement benefits. Mr. Alport advised that many of these changes create an opportunity for trust departments to get out on the street and "...drum up some business."

Meredith Fernstrom, senior vice

president of consumer affairs for American Express Company, addressed the conference on the views of consumers toward the financial services industry. A characteristic of the deregulatory movement within the industry has been to place bankers face to face with consumers. Consumer leaders feel that this contact has resulted in increased banking convenience, new financial products and more flexibility. She cautions that these same leaders feel that things are moving too fast and are calling for a slow down in technology.

Primary among the concerns of the consumer is the fear of being excluded or priced out of the financial market. Ms. Fernstrom cited examples of "life line" legislation where financial institutions are required to provide free checking account services to customers under age 18 and to senior citizens. Another concern common to consumer leaders is the advent of POS terminals. "They fee!



Meredith Fernstrom offers an update on consumer views toward the financial services industry.

that float is a God-given right and don't want it tampered with."

She closed by advising bankers to communicate with their customers about new products, services and pricing structure. She also suggested the formation of consumer affairs units within banks and the adoption of voluntary codes and standards. □

V.P. Joins Elmhurst Natl.

Robert G. Girolamo, Sr. has joined the management staff of Elmhurst National Bank as vice president - corporate banking division. He began his banking career 28 years ago at Consumers National Bank of Chicago. Prior to joining



IBA President Charles Wilson responds to a question during the Annual Meeting.

have been trying to get the law changed so that the legislature would meet once every 60 years for one day. Perhaps we should follow the example of post World War II Germany where all laws were declared null and void with the exception of the speed limit and that wasn't being obeyed anyway." With this as a basis, he went on to recommend that all politicians be elected for just one term, be that for

Elmhurst National in 1975, Mr. Girolamo was vice president for Washington National Bank of Chicago and Bank of Ravenswood.

Elmhurst National also announced the promotion of Craig Tower to assistant vice president, consumer loan division, and Donna Medema to operations officer.

Mr. Tower has been with the bank since 1979. Ms. Medema joined the bank six years ago in the teller area.

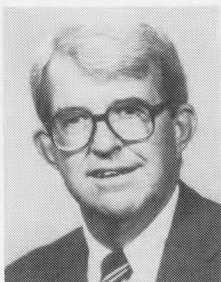
Elmhurst National recently celebrated the opening of a new banking office within the Hamilton Lakes office complex, located at Route 53 and Thorndale Road. The new office will be staffed with both commercial and consumer lending personnel, and includes a 24-hour cash station center located just outside the facility.

Top Executives Elected At Commercial National, Peoria

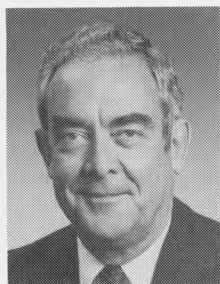
Robert T. Stevenson, Jr., was elected president of Commercial National Bank, Peoria, effective January 1, succeeding David E. Connor, president since 1967.

Mr. Connor, 59, will continue as chairman and chief executive officer of Commercial National Bank. He is also president and CEO of Midwest Financial Group, Inc., the bank holding company which owns CNB.

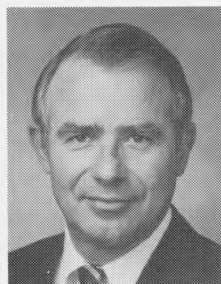
Replacing Mr. Stevenson as executive vice pres-



R.T. STEVENSON



D.E. CONNOR



B.F. SNYDER

ident will be Bruce F. (Skip) Snyder, senior vice president, who has headed the bank's trust division since 1975.

"These changes are necessary as I devote more and more of my time to directing Midwest Financial Group, Inc., which has rapidly evolved into

the largest bank holding company in downstate Illinois," commented Mr. Connor.

Mr. Stevenson, 48, executive vice president since late 1983, joined CNB as a business development officer in 1968 after seven years with Continental Illinois National Bank in Chicago. He became head of the commercial banking division in 1975 and was elected senior vice president in 1978.

Joining the Bank in 1963 as a trainee, Mr. Snyder worked in the credit department before transferring to the trust department in 1965. Named a vice president in 1972, he has headed the trust department for the past nine years and was named senior vice president in 1978.

Two Join Cole-Taylor Group

J. Houston M. Clinch, Jr. has joined the Cole-Taylor Financial Group, Inc., Northbrook, as senior vice president, administration and consulting. In addition, Paula L. Barnett has joined as training and development manager.



J.H. CLINCH, JR.

Most recently, Mr. Clinch was senior manager and practice director for the Chicago office community bank consulting function of Peat, Marwich & Mitchell.

Ms. Barnett previously was manager of corporate training for Bankers Life & Casualty Co.

ABA Names Chicago A.V.P. Outstanding Bank Employee

Sandra L. Crosse, assistant vice president, First Security Bank of Chicago, is one of six national recipients of the American Bankers Association Commendation Award for her contributions to the banking industry. She is the only award winner from Illinois.

The contest, sponsored by the ABA Communications Council, is designed to recognize bank employees who have enhanced the image of their banks or the banking industry within their community and the banking profession.

Elected at Mid City Natl.

Thomas R. Beverlin has been elected a senior vice president in the commercial lending department at The Mid-City National Bank of Chicago.



T.R. BEVERLIN

Mr. Beverlin has over 25 years of banking experience and has served the past four years as president of the National Republic Bank of Chicago.

Lansing Name Change Noted

First National Bank of Lansing has officially changed its name to First National Bank of Illinois.

Three Advanced in Aurora

Aurora National Bank recently announced the promotion of Gordon E. Volkman to vice president of community relations, a newly created public relations and account maintenance position. Mr. Volkman joined the bank in 1967 and has 18 years prior banking experience.

Also announced were the promotions of Karen Lee and Gregory B. Whipple to assistant vice presidents, commercial loans. Ms. Lee started in banking 14 years ago at Oswego Community Bank. Mr. Whipple started his banking career in 1981 with Federal Land Bank of St. Louis.

Opens Chicago Office

BankPro Systems, developer of WireNet™, a microcomputer-based electronic funds transfer and management system, has opened its first regional office in Chicago.

The new office will serve as the base for BankPro's sales and customer support in the East and Midwest, while the San Francisco headquarters will serve the Western U.S. Staffing the Chicago office are Anthony Parkinson, regional sales manager, and Woodrow Campbell and Brian Parkinson, regional sales representatives, all located at 625 North Michigan Ave., Suite 500 60611.

Wisconsin

J.W. Johnson, pres., Spring Green
B.K. Koontz, exec. dir., Madison



Bank Executives to Meet in Madison

THE WISCONSIN Bankers Association 1985 Bank Executives Seminar will be held February 4-6 at The Concourse Hotel in Madison.

Orion Samuelson from Chicago's WGN Radio and Television will keynote the seminar with an overview on the economic condition of Wisconsin's number one industry—agriculture—and related issues.

The featured speaker for the legislator/banker reception and banquet on Tuesday, February 5, will be Charles Osgood, writer and anchor of two daily CBS News broadcasts—Newsbreak and The Osgood File.

On Wednesday morning during the seminar, you will hear a pricing presentation by G. Michael Moebs. His remarks were developed around a survey that was sent out to all members in December. The advance schedule follows:

Monday, February 4

A.M.
9:00- Venture Capital Financing Seminar. (Co-sponsored by Wisconsin Power and Light company and the Wisconsin Bankers Association).
4:00

P.M.
5:00 Hospitality events begin.

Tuesday, February 5

A.M.
8:00 Registration begins.
9:00 General session begins.

P.M.
12:00 Luncheon.
1:00 General session resumes.
5:00 Approximate adjournment.
6:00 Legislator/banker reception.
7:15 Legislator/banker banquet.

Wednesday, February 6

A.M.
8:00 Breakfast sponsored by: M&I Marshall & Isley Bank, Milwaukee.
9:30 General session.
12:00 Approximate adjournment. □

United Banks to Affiliate With Valley Bancorporation

Robert C. O'Malley, president of United Banks of Wisconsin, Inc., and Gus A. Zuehlke, chairman of Valley Bancorporation, announced last month that the two organizations have entered into an agreement in principle calling for the merger of United and Valley. Under the agreement, which has been approved by each organization's board of directors, owners of United common stock would receive at their election and within some limitations, either \$29.25 per share in cash or 1.27 shares of Valley common stock for each share of United common stock. The transaction is subject to negotiation of a definitive agreement and all requisite corporate and regulatory approvals.

First Wisconsin, Milwaukee Realigns Top Management

Hal C. Kuehl, chairman, First Wisconsin National Bank of Milwaukee, has announced a realignment of the bank's top management.

Roger L. Fitzsimonds, executive vice president, will lead a newly formed commercial financial group with responsibility for the commercial banking division, First Wisconsin Financial Corporation, First Wisconsin Leasing, real estate finance division and corporate finance division.

Michael J. Schmitz, senior vice president, will head up a new consumer-financial group which will include Mr. Fitzsimonds' former retail responsibilities. This group will consist of the branch office division, the consumer credit division, First Wisconsin Investment Services and First Insurance Management.

Richard S. Bibler, executive vice president, who formerly headed the

commercial banking division, will report to the chairman and work on special assignments for that office.

WBA Moves to New Location

The Wisconsin Bankers Association has moved to a new location. The new address is: 100 North Hamilton Street, Madison. Its phone number remains the same: 608-256-0673.

New Regional Manager Joins First Interstate Trust

Jeffrey L. Morgan has joined First Interstate Trust Company of Wisconsin, Sheboygan, as regional manager of the company's southern trust services offices.

Mr. Morgan will be headquartered at First Interstate Bank in West Allis, and will have primary responsibility for marketing and administering employee benefit trust plans at First Interstate Banks in West Allis, New Berlin, Shorewood, Caledonia and Racine, as well as at Brown Deer Bank.

Mr. Morgan formerly managed the trust department at Colonial Bank in Thiensville.

Twelve Advanced At First Wisconsin Trust

The board of First Wisconsin Trust Company recently announced the promotion of six officers and the election of six new officers.

Promoted to vice president were Nicholas J. Bertha, III, Florian J. Nalencz, Carl A. Silvestri and Lois I. Williams; to assistant vice president, Mark G. Berry, and to trust officer, Patricia A. Ricci.

Newly elected to assistant trust officer and assistant secretary were Diane M. Bedran, Patricia R. Dziewa Daniel G. Jaszi and Mary Ellen Markowski; to assistant cashier and assistant secretary, Deborah A. Day, and to marketing officer, Robin B. Gonring.

Citizens State Bank, Loyal Celebrates 75th Year

Citizens State Bank of Loyal recently celebrated its 75th anniversary. Among the festivities were several open houses for bankers and associates and the public, a dinner party for all employees and former employees, and a dinner for stockholders.

Mark Schabert's
phone is conveniently
located just beyond
your bank's
legal lending limit.

 **F&M Marquette National Bank**

6th & Marquette
Minneapolis

Member FDIC



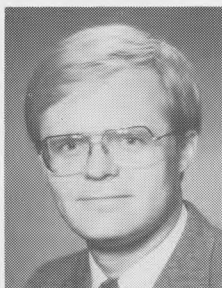
Minnesota

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



Wayzata President Named

Richard D. Bliss has been elected president of the First National Bank of Wayzata. He succeeds LeRoy Ashfeld, who has accepted a position with a bank in St. Paul.



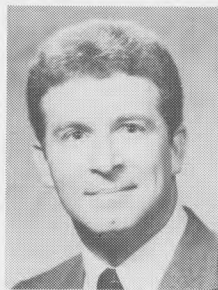
R.D. BLISS

Mr. Bliss had most recently been serving as vice president in charge of the commercial lending department, a position he has held since 1981. He joined First National, Wayzata, in 1976 as an installment loan officer and prior to that time was with Thorp Finance for several years. He is a 1970 graduate of Mankato State University.

tant vice president with Norwest Bank Duluth.

Stillwater President Named

The board of directors of Norwest Bank Stillwater has named Steven E. Zinnel as president. He succeeds James C. Graham, who has assumed the position of chairman of the board and chief executive officer.



S.E. ZINNEL

Mr. Zinnel joins the Stillwater bank from his previous position as vice president and manager of the commercial banking division's metro business unit at Norwest Bank MetroWest, N.A., Hopkins. A graduate of the University of Minnesota, Mr. Zinnel began his banking career in 1970 as a management trainee at Norwest Bank Marshall, N.A. Since that time he has held a variety of positions in commercial lending and branch administration at Norwest Bank Bloomington, N.A. and Norwest Bank MetroWest, N.A.

This executive team development will effectively position Norwest Bank Stillwater for the management transition which will occur pending Mr. Graham's announced retirement on January 31, 1985.

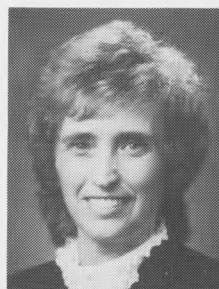
Controlling Interest Purchased in Rockford Bank

Shirley L. Huston has purchased controlling interest in the Rockford State Bank and will serve as chairman, vice president and cashier. Steven J. Weisz was elected president and director and John Holtey was elected a director.

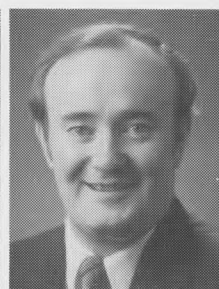
Ms. Huston has been with the bank since August, 1980, most re-

cently in operations and with personnel. She has also served as a director since January, 1981.

Mr. Weisz has been with the bank as chief executive officer since January, 1983. Prior to that time he was president and a director of the First National Bank of Buhl and also served as a bank examiner with the FDIC for seven years.



S.L. HUSTON



S.J. WEISZ

Mr. Holtey has been with Norwest Corporation for the past 27 years, most recently as senior vice president and trust officer.

Other directors of the bank include Steven J. Huston, vice president and a loan officer at the bank; D.A. Schroepel of Buffalo, and Doug White of Rockford.

Zapp National Bank Names New Officer

The board of Zapp National, St. Cloud, has announced the addition of Lynette A. Golly as pension officer to the trust department staff.

Ms. Golly, a 1976 graduate of Willmar Vocational Technical Institute, is a specialist in the area of individual and corporate qualified pension and profit-sharing plans. She was previously associated with Rinke, Noonan, Grote and Smoley, Ltd.

Owatonna V.P. Elected

Robert A. Reger has been elected vice president in commercial loans at Norwest Bank Owatonna, N.A., according to Kenneth E. Wilcox, president.

Mr. Reger previously served as senior vice president of Lake City Bank, Madison, Wisc., starting with that bank when it was newly chartered in 1966. From 1959 until 1966 he was employed at Pacific Finance Corporation.

Three Elected At Norwest Bank Duluth

Norwest Bank Duluth, N.A. has elected the following assistant vice presidents: Daniel D. Kronlund, Martin M. MacLean and Edward E. Thornberg.

Mr. Kronlund joined Norwest in 1984 in a new position in charge of special assets. Prior to that time, he held a position with the FDIC.

Mr. MacLean joined Norwest in 1982 and previously was with Branch Distributing, Inc. of Duluth. He is in charge of trust operations and consumer support for Norwest Bank Duluth.

Mr. Thornberg joins Norwest Bank Duluth in the business development area. He has been associated with Norwest Corporation since 1962, when he joined its affiliate in Fergus Falls. From 1970 to 1976 he was with Norwest Bank Silver Bay, and from there he joined Norwest Two Harbors where he currently serves as president, as well as assis-

TSI. You new key success

These days in the financial services industry, the competition just keeps getting tougher. From the smaller independent institution to the large holding company, higher productivity and profitability are crucial to your success.

Enter TransAction Systems, Inc.

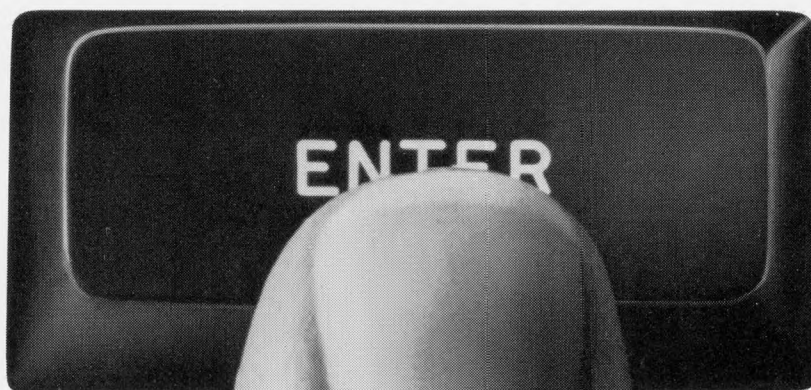
TSI offers the most sophisticated information systems on the market today, tailored specifically to fit your institution's individual needs.

TSI provides the systems. You provide the control. With complete customer relationship data on-line, you make the most of your customer base.

With distributive item processing, you make the most of your money by maximizing float opportunities. And with platform automation, you make the most of your people by dramatically increasing their productivity.

You can also count on TSI's unique commitment to compo

our y to S.



employee training: in-house formal instruction as well as on-going training and user workshops.

And, through TSI's affiliation with the First Interstate System, you give your customers access to the nation's largest automated teller network, with over 5,000 CIRRUS[®] ATM's nationwide.

Quite simply, TSI can be your brand new key to success. To find out how, call (303) 293-5500.

TSI. Consider the Profitabilities.

 **TransAction
Systems, Inc.**

A Subsidiary of First Interstate Services Co.

Northwestern Banker, January, 1985



Twin Cities



Norwest Bank Minneapolis has named **Dharani (Darin) P. Narayana** as executive vice president, reporting to **James R. Campbell**, president of Norwest Bank Minneapolis.



D.P. NARAYANA

He is responsible for the bank's national and international departments, and will continue to manage Norwest's Financial Institutions business group. The appointment becomes effective immediately.

Mr. Narayana joined Norwest Bank Minneapolis in 1969 as vice president and head of the International Finance division of Norwest Bank Minneapolis. In 1980, he was named senior vice president of the international banking department, with responsibility for overseeing much of the bank's international lending activity.

In 1983, he was named senior vice president of the Financial Institutions Banking Group of Norwest Corporation. In this position, he was responsible for developing Norwest's programs and strategies to serve other financial institutions, including credit unions, savings and loans, investment companies and correspondent banks.

Mr. Narayana is a native of India and a graduate of Osmania University and the University of London. He also earned an MBA degree from the University of Wisconsin.

* * *

First Bank Lake, Minneapolis, kicked off the bank's 75th anniversary by presenting a special anniversary calendar to the Minnesota

State Historical Society. The calendar, compiled by **Mary Lou Sim**, bank historian, depicts the growth of the bank and surrounding community from 1910 through the present. Each month the calendar presents a historical photo complete with a description of the era from which the photo originates.

The bank's anniversary celebration will culminate in three days of festivities on May 1-3.

* * *

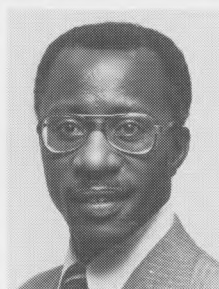
James H. Hearon, III, president and CEO at National City Bank of Minneapolis, recently announced the following addition to the bank's official staff.

Timothy O. Davis, joined National City Bank as of November 13 as personal trust officer. Previously, Mr. Davis was associated with Richfield Bank & Trust Co., and Beal, Horner & DeVaughn. He is a graduate of Hamline University School of Law.

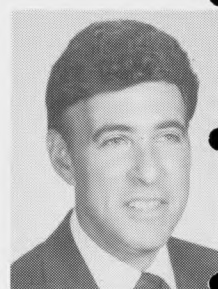
* * *

James Sherard has been elected president of First Bank Plymouth. Most recently vice president and manager of First Bank Ridgedale, Hopkins, Mr. Sherard began his banking career with First Bank System in 1970. He is a graduate of Howard University in Washington, DC, and received his MBA from the University of Indiana in 1976.

Neal Frank has been named to succeed Mr. Sherard as manager of First Bank Ridgedale. Mr. Frank's most



J.D. SHERARD



N.H. FRANK

recent position has been assistant vice president at Ridgedale. He began his banking career with First Bank Minneapolis in 1981.

* * *

American National Bank of Saint Paul has announced that **John E. McCauley** has

joined the bank as group vice president and senior credit officer. He will direct the commercial banking group and will be chairman of the senior credit committee.

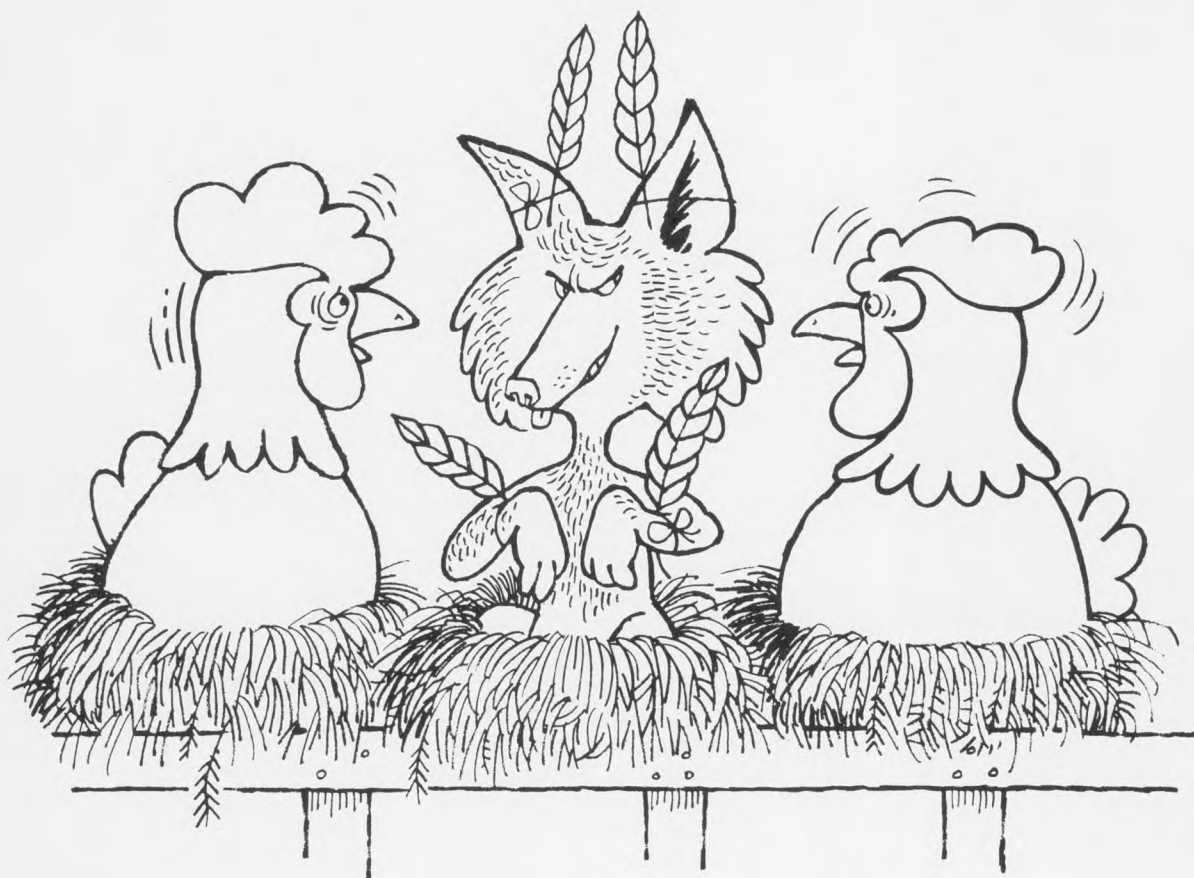


J.E. MC CAULEY

Mr. McCauley has over 30 years of credit and senior management experience. Prior to joining American, he was president and CEO of FBS Business Finance Corporation, a subsidiary of First Bank Systems, Inc. He has also served as senior vice president of a major lending department and member of the senior credit committee at First Bank Minneapolis.

A graduate of the University of Minnesota, Mr. McCauley received his B.A. degree in Economics. He has also participated in the University of Minnesota Executive Program and many other educational and professional programs

* * *



It's time to check your henhouse

The new world of financial deregulation and competition demands that independent community banks closely evaluate their business partners. Some partners are committed to helping you, others to helping themselves.

At American, we have the resources to be your correspondent, and the desire to help you succeed. We do **not** use your money to compete for your customers.

Please evaluate your correspondent partners. Which ones help you, and which ones really use you to help themselves? You may find some strange birds.

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

St. Anthony National Bank, St. Anthony Village, recently announced the appointment of **Lon Helgemo** to manager of retail banking; **Mary Jo Seline** to retail banking officer, and **Sandy Powers** to administrative officer of the retail banking department.



L. HELGEMO



M.J. SELINE



S. POWERS

Mr. Helgemo, currently vice president, is a graduate of the University of Minnesota. He has been with the bank since 1969, when he joined as manager of the instalment loan department.

Ms. Seline joined the bank in 1982 as a customer service representative. She is a graduate of the University of Wisconsin.

Ms. Powers, a graduate of Sparks Business College, started at the bank in 1967 also as a customer service representative.

* * *

First Asset Realty Advisors, a division of First Bank Minneapolis, has acquired the Roosevelt Mall of Jacksonville, Fla.

The 242,000 square foot shopping center is valued at nearly \$8.5 million and was purchased for the account of First Asset Real Estate Equity Fund, First Bank's open-end, commingled real estate fund for pension plans.

Located in the prestigious Ortega peninsula section of Jacksonville, the center's major tenants are Iveys, May-Cohen and Furchgott's, all prominent department stores in the area.

"Our plan is to invest an additional \$3 million in the property over the next several years. We intend to substantially upgrade the retail en-

vironment in the center through a major renovation program," said Charles Ingwalson, president of FARA. "The demographics of the area are excellent and we intend to make Roosevelt Mall a very exciting place to shop."

* * *

Robert S. Branham retired November 30 as chairman of Norwest Bank South St. Paul, N.A. and **Donald L. Sheldon** also retired on that date as vice president-controller at the bank.

Mr. Branham began his banking career in South St. Paul in 1946 with the Stockyards Mortgage Company and later as an officer of Norwest Bank South St. Paul, N.A. In 1955 he joined Norwest Corporation staff in bank relations. In 1964 he was elected president of Norwest Bank Rochester, N.A. and in 1967 he rejoined the corporation as senior vice president.

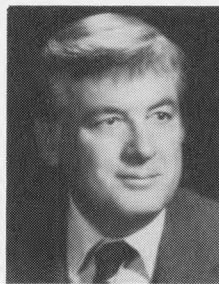
Mr. Sheldon began his banking career 28 years ago at First National Bank and Trust Company of Fargo, N.D. He served at American National Bank in Valley City, N.D., from 1958 through 1964 and joined the South St. Paul bank in 1964.

* * *

Robert V. Gorsche has been named president of Norwest Mortgage, Inc., as announced by Norwest Corporation Vice Chairman **Richard S. Levitt**, who has been serving as the mortgage company's president since August.

Mr. Gorsche was a senior vice president at Norwest Financial, based in Des Moines. His background there includes positions as controller and as a senior line officer with responsibilities in consumer finance and equipment leasing. A native of Des Moines, he had been with Norwest Financial, the former Dial Corporation, since 1960.

Mr. Levitt also announced that **Patrick J. Kenneally**, former vice president and regional manager at Norwest Financial, has joined Norwest Mortgage as executive vice president, and **William J. Brechtel**,



R.V. GORSCHÉ

vice president at Norwest Corporation, has been named senior vice president and assistant to the president of Norwest Mortgage.

Mr. Levitt said the restructuring underway at Norwest Mortgage is intended to "selectively scale down certain businesses and to place Norwest Mortgage in a risk-averse orientation with emphasis on cost control and profitability. Strong management and accounting controls are central to our plans."

* * *

Frederick Paul Phillips has been promoted to assistant vice president and manager of Development Services for FBS Information Services in St. Paul. In his new position, Mr. Phillips will direct implementation of new systems and develop methodology for the First Bank System computer operations subsidiary.



F.P. PHILLIPS

Mr. Phillips has been senior strategic planner for First Bank Minneapolis and strategic planner for First Bank Saint Paul. Before that he held several positions with Farmers and Mechanics Savings Bank in Minneapolis.

* * *

Norwest Corporation has formed Norwest Capital Markets, Inc., as a wholly-owned subsidiary to direct select aspects of the company's securities-related businesses.

The subsidiary will encompass four distinct elements of the securities business and will be organized as an internal "holding company," overseeing the activities of each related business. This type of organization is unique to the Upper Midwest region and is similar to that adopted by several large money center banks.

John W. Morrison, chairman and chief executive officer of Norwest, said that the subsidiary was formed to coordinate delivery of securities trading, underwriting, securities investment and corporate financing functions to the marketplace.

"This consolidation of services allows us to approach the securities

market in a unified manner. Using the service delivery systems already put into place by Norwest Corporation, we will be able to reach a larger customer base through expanded geographic penetration," he said.

Robert C. Brown has been appointed president of Norwest Capital Markets. Prior to his appointment, he was executive vice president of Norwest Bank Minneapolis with overall responsibility for the bank's funds management, consumer banking and capital management and trust groups. In this capacity, he was involved in the formation of Norwest Brokerage Services and Peregrine Capital Management. He joined the Norwest organization in 1975 as president of Banc Northwest in Chicago, a municipal bond subsidiary.



R.C. BROWN

Norwest Capital Markets is comprised of four businesses: Norwest Corporate Finance, investment bankers for the regional middle market; Norwest Investment Services, Inc., specializing in bond trading and underwriting; Norwest Brokerage Services, a reduced commission brokerage operation; and Peregrine Capital Management, an institutional investment management firm.

* * *

The Women's Economic Development Corporation (WEDCO) of Saint Paul has created a loan fund to finance businesses owned by women who fail to qualify for traditional financing. Established with initial funding from the foundations of First Bank Minneapolis, First Bank Saint Paul and First Bank System, the fund is a model which brings together two economic units of the community — the bank and the individual woman entrepreneur.

"Through the loan fund, we hope to assist women who do not have access to other financial resources," says **Kathryn Keeley**, president and executive director of WEDCO.

Financing available through the fund will include direct loans, loan guarantees and co-participations for various uses, including seed capital, working capital and expansion capi-

Groundbreaking Held for Norwest Center

GROUNDBREAKING ceremonies for the new Norwest Center in downtown Minneapolis were held December 17 at the site of the new building at Sixth Street and the Nicollet Mall.

Norwest Center, a mixed use development, is a joint venture between Norwest Corporation and Oxford Properties, Inc. The 66-story of-

fice tower will house Norwest Bank Minneapolis' banking facilities, the corporate headquarters of Norwest Corporation and offices of several Norwest subsidiaries. Saks Fifth Avenue department store will anchor the center's retail plaza.

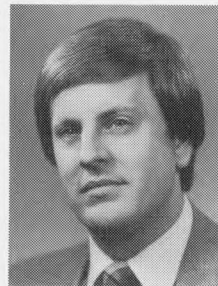
The building is expected to open in phases, beginning in the second quarter of 1987.

tal. In addition to the \$50,000 per year provided by First Bank Minneapolis, First Bank Saint Paul and the First Bank System foundations, contributions to the fund will be solicited from individuals, foundations and corporations.

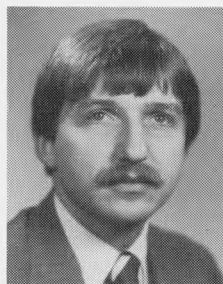
* * *

The board of directors of Norwest Bank St. Paul, N.A. recently announced the election of the following employees, according to **Larry D. Buegler**, CEO and chairman.

Keith D. Jasch was elected systems officer. He attended Moorhead State University where he received a BA in accounting and recently joined the bank from Norwest Bank Jordan.



K.D. JASCH



J.H. GROSSMANN R.D. FLEISCHHACKER

Joseph H. Grossman was elected real estate officer. He is a graduate of the College of St. Thomas where he received a BA in Psychology. He previously was a mortgage loan representative with Norwest Bank Calhoun Isles.

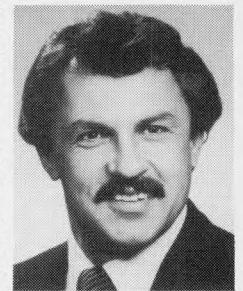
Robert D. Fleischhacker was elected to operations officer. Mr. Fleischhacker has attended the University of Minnesota, Lakewood Community College and is a graduate of the Dale Carnegie course. He

joined the bank from Norwest Information Services.

* * *

John Biezuns has been named president of Marquette Lease Services Inc., the lease financing subsidiary of Bank Shares Incorporated.

Before joining Marquette Lease Services, Mr. Biezuns was vice president and regional manager of General Electric Credit Corporation. He has a BA degree from the University of South Dakota in business administration.



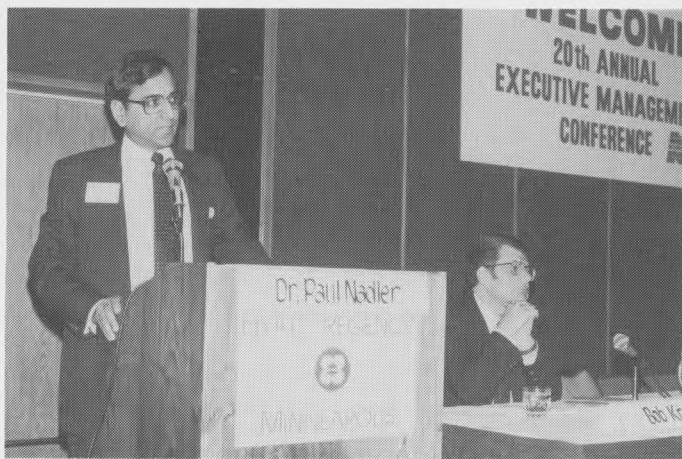
J. BIEZUNS

* * *

Dale W. Johnson and **Deryl C.M. Rogers** have been appointed business development officers in the north central marketing center of Barclays American/Business Credit, Inc., Minneapolis office.

Mr. Johnson has specific responsibility for southeastern Minnesota, southwestern Wisconsin, eastern Iowa, the Quad Cities area of Illinois, and North Dakota. A native of Elk River, Minn., he has a BA degree from Macalester College and was executive vice president with St. Cloud National Bank before joining Barclays American.

Mr. Rogers has responsibility for western Iowa including Des Moines, southwestern Minnesota, and South Dakota. He will share responsibilities with Mr. Johnson for portions of the Twin Cities area. Mr. Rogers is a native of Chicago, holds an MBA from the University of Chicago in both marketing and finance, and previously was regional sales manager for Investment Services for America.



PRESIDING at Norwest's Executive Management Conference was Sr. V.P. **Darin Narayana**, shown (left) at podium introducing **Dr. Paul Nadler** (seated), who spoke on the "Economic Outlook." **RIGHT**—Other speakers included, from left: **Dr. Sung Won Sohn**, sr. v.p. and chief economist, and Vice Chairman **Bob Krane**, both with Norwest Corporation headquarters; **Sen. James Abdnor** (R., S.D.), and **Danny Wall**, staff dir. of the Senate Banking and Finance committee.

At Norwest Management Conference —

Chairman John Morrison Says, "We're Committed to Correspondent Banking"

By **BEN HALLER, JR.**
Publisher

THE future and how to get there, as well as the present and how to cope with it, were thoroughly examined at the 20th Annual Executive Management Conference hosted by Norwest Corporation at the Hyatt Regency Hotel in Minneapolis last month. The half-day conference was concluded with the traditional duck dinner and entertainment.

In his welcoming remarks, Norwest Chairman John Morrison stated, "I hope you take away an impression that Norwest is a corporation that understands you, cares and wants to help. A year ago we announced our Hub system, staffed by some of our more able bankers, to be closer to you and assist you with our products. We structured a system to access this new service. We also restructured our data processing service. We instituted a series of seminars and more than 400 persons have attended them.

"Our next step was our entry into Alliance Banking and, as you know, we just announced the first relationship in that program with Affiliated Bank Corporation of Casper, Wyo. Now, today, we are announcing a new adjunct to Alliance Banking that will offer banks a closer affiliation with Norwest without adopting the Norwest name. Alliance Banking is a new, exciting way to enhance business for our correspondent

banks who choose to go this way. We all know the problems of today and I hope this is one solution to assist you."

"I want to express the depth of our commitment to correspondent banking and to the products, services and delivery systems to fulfill that commitment," Mr. Morrison concluded.

Darin Narayana, senior vice president at Norwest Corporation in charge of the Financial Institutions Group, presided at the conference and introduced the speakers. He was assisted by **Richard Erickson**, vice president of Norwest Bank Midland, N.A., Minneapolis, who assembled the entire speaking and entertainment program.

Dr. Earl Joseph, president of Anticipatory Sciences, Inc., Minneapolis, presented a fast-paced visual look at "Futurism," and its high-



Norwest Chmn. **John Morrison**

tech implications for the banking industry. "Bankers must grasp this understanding so as to know what to expect of their large or small customers and how to deal with and serve them," Dr. Joseph stated. "Managers are becoming more knowledgeable about finances and bankers thus must become smarter than they are in the financing of their specialty."

Dr. Paul Nadler, professor business administration at Rutgers University, Brunswick, N.J., said 1985 will be a critical year for the United States in the eyes of the world and for its own economic future. He referred to the need for a positive approach by the Administration and Congress toward resolving the ballooning federal deficit that could undermine the nation's future. "Japan and other nations," Dr. Nadler noted, "take our dollars for what we buy, then turn around and finance our deficits by buying our dollars!...Foreign nations are a tremendous value to us. But, if they stop buying our dollars we're in real trouble!"

On the banking industry, Dr. Nadler pointedly stated, "Money brokers are insidious, and you must get away from them. We have to change the insurance program to reflect the risk taken." On another part of the banking scene he said, "Capital by itself is not important—it's confidence that counts." He stresses that point in his forthcoming book slated for April release in which he says, "Whatever goes on, let the public in on it and they retain confidence in you."

Vice Chairman **Bob Krane** moderated a "Legislation '85 Panel." Par-

Participants were **Sen. James Abdnor** (R., S.D.), chairman subcommittee on agriculture and transportation; **Danny Wall**, staff director, U.S. Senate Committee on Banking, Housing and Urban Affairs, and **Dr. Sung Won Sohn**, senior vice president and chief economist for Norwest Corporation.

Mr. Wall said that while Sen. Abdnor and Rep. St. Germain intend to preserve the July 1, 1983 grandfather date on the non-bank applications, "it's not so easy. It puts the major banks together with Sears, Roebuck, in objecting to plugging the loophole—each for different reasons." He said Rep. St. Germain's reason for not bringing up the Senate-passed bill prior to adjournment last October was because he was having trouble in his own committee preserving the July 1, 1983 grandfather date.

Sen. Abdnor opened "we're in for a long, hard fight on ag proposals... The challenge we have to live up to is to do magic with fewer dollars." He added, "I know there is a consensus in Congress to do something about the deficit. Someone's going to get hurt and I'm afraid it will be the agriculture." He feels that something needs to be done about government ag payments based on production that have encouraged "fence row to fence row" planting on lands that should never have been tilled, thus contributing to overproduction, lower prices and higher government payments. "We have to change the program and get more buck for the dollar," he concluded.

Dr. Sung Won Sohn sees a continuing, but weak recovery into 1985, with a gradually rising interest rate in the spring reacting to loan demand and high government borrowing. Deficit cuts proposed by the President, he said, are not enough.

Meteorologist **Dr. Walt Lyons**, president of R-SCAN Corporation of Minneapolis, gave an interesting audio-visual presentation on "Why Finance a Drought?"

A fast-paced speech with a sales message for bankers as they compete more and more with sales-oriented competitors was given by **Charles Herrmann**, the knowledgeable and entertaining vice president for corporate and national sales development of Jostens, Inc., of Watonwan, Minn.

James Campbell, president of

Norwest Bank Minneapolis, N.A., was the final speaker. He reaffirmed Mr. Morrisson's earlier remarks when he said, "In 1985 you'll see the result of our changes and you and we will experience the benefits of these advances. In no way will Norwest Bank Minneapolis and our Hub banks diminish their commitment to correspondent banking. I'm convinced that what's been done will strengthen our relationship and this commitment."

After a cocktail reception and the traditional duck dinner, guests were treated to superb entertainment provided by Marilyn Sellars and her outstanding orchestra. □

Norwest Bank Rochester Promoted Two Officers

Carla Kilpatrick, vice president of Norwest Bank Rochester, N.A., has been named manager of the bank's consumer lending department with responsibility for real estate and other personal installment loans.



C. KILPATRICK



C. CLOWES

Ms. Kilpatrick joined Norwest Bank in 1982 assuming responsibility for consumer real estate loans. Prior to working at Norwest, she was manager of Northland Mortgage Company and before that time, was employed at Olmsted Federal Savings and Loan Association as a lending officer.

Sherry Clowes, operations officer at Norwest Bank's Green Meadows Office, has been promoted to IDP/account servicing manager at the Main Bank. Ms. Clowes joined the bank in 1974 and since then has worked in the teller areas at the Downtown Drive-In and Main Bank, the commercial loan department, and the marketing area.

Brainerd Banker Attends Human Resources School

Beverly Marx, personnel officer at First American Bank of Brainerd recently attended the American

Bankers Association National School of human resources held in Boulder, Colo.

FBS Develops New Program - Agricultural Lending Academy

First Bank System, Inc., Minneapolis, has developed a new program for its bank's ag lenders called the FBS Agricultural Lending Academy, according to Darrell G. Knudson, vice chairman and head of the company's regional division.

"The purpose of the Agricultural Lending Academy is to provide a comprehensive training package that furthers our ag lenders' skills and increases the support they can provide to today's farm families," Mr. Knudson said.

The courses included in the academy contain information on all the facets of farm financing—credit, marketing, sales, technology and personal development—and farm management-related functions—production, marketing and finance. The ag academy concept, which has been in development since 1983, will offer courses for both the beginning and experienced ag lender, and will explore new techniques and systems information the bank officer can use such as a Regional Production Directory and Agricultural Technology Updates. The curriculum goes beyond financially oriented courses and will enable ag lenders to more fully help farmers use sophisticated and technical financial services. Other courses present the alternative service options that are available to farmers such as developing a marketing plan to complement cash flow requirements. FBS loan officers may select technical and personal development electives in addition to their core courses, such as agricultural policy and economic development, leasing, tax management, asset/liability management and time management. The academy concept was developed with the assistance of an advisory board composed of experts from Cargill, Iowa State University, and the First Banks. Depending on the background of the attendee, the academy will provide nearly 500 hours of training in ag lending. Attendees who complete the academy will become certified FBS ag lenders. Over 125 First Bank ag lenders from four states have been designated to attend the ag academy.

F&M Offers New Investment Program

A NEW investment program designed to offer its clients expert investment advice in mutual funds was recently introduced by F&M Marquette National Bank.

The bank has obtained the exclusive rights to market and manage the Mutual Funds Investment Program (MFIP) in the Twin Cities and eastern Minnesota. The creator and coordinator of MFIP, Michael Hirsch, introduced and explained his highly successful program at an F&M Marquette MFIP seminar November 14.

"Mutual funds are the best means of investing to achieve growth through an avenue that reduces risk to a minimum," said Mr. Hirsch,



ABOVE, F&M Marquette President **Carl R. Pohl**, discusses MFIP with its creator, **Michael Hirsch**, vice president and chief investment officer at Republic National Bank of New York.

who is vice president and chief investment officer at Republic National Bank of New York.

In the past several years, Mr. Hirsch pointed out, the stock market has grown increasingly complex. "Mutual funds are an attractive investment alternative," he said. "They are managed by financial specialists, are broadly diversified, and frequently are more liquid and flexible than other investment alternatives."

"The suitability of any investment alternative lies in its ability to deliver superior performance results," said F&M Marquette senior vice president and manager of investments Richard B. Hume. "After careful analysis, it is clear to us at F&M Marquette that mutual funds have consistently outperformed both the broad market, as measured by the Standard & Poor's 500 Stock

Index, and a representative universe of professionally managed bank and insurance company accounts."

MFIP is one of the nation's most successful mutual funds investments services. Over the 9 year period ended in 1983, MFIP's compounded annual return to its clients has averaged 15.7 percent, compared to the mutual fund average of 11.8 percent. A \$1,000 MFIP investment in 1984, for example, had grown to \$3,710 in 1983.

Through MFIP, more than 700 mutual funds are evaluated on an ongoing basis to select the 75 to 80 best performing funds. Marquette Capital Management Corporation, a wholly-owned F&M Marquette investment advisory subsidiary, then selects 30 to 40 of these mutual funds best suited for its MFIP clients.

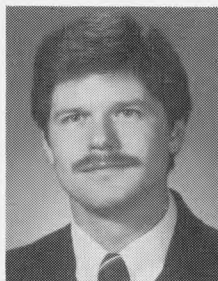
The bank's new service is based on a three-step investment process: First F&M Marquette investment officers work with MFIP customers to establish specific investment and performance objectives; second, the bank determines the appropriate asset mix to be used in constructing and managing the desired portfolio, and third, it selects specific funds for individual portfolios. F&M Marquette continually monitors its MFIP customers' portfolios and recommends timely portfolio adjustments.

F&M Marquette's Marquette's Mutual Funds Investment Program is available exclusively through the trust department to individual investors, corporate pension and profit-sharing plans, endowments and foundations. □

Rochester Promotion Told

Randolph S. Koppa, president of First Bank Rochester, has announced the promotion of David B. Jasperson to commercial lending officer.

Mr. Jasperson began his banking career with First Bank Rochester in June, 1982, as a management associate.



D.B. JASPERSON

Duluth Appointments Told

At First Bank Duluth, Elsa Erickson has joined the staff as corporate trust consultant. Prior to joining First Bank, Ms. Erickson was an attorney with People's Action and with Qualley, Larson and Jones, Attorneys at Law.

Also announced was the appointment of Brenda Gribbon as manager of the Express Bank. Ms. Gribbon joined the bank in 1977 as a teller and most recently served as assistant branch manager at the Express Bank.

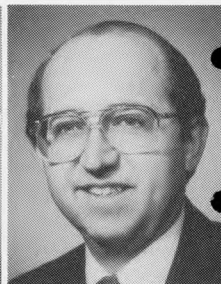
New officers elected are Doug Welnetz, instalment loans, and Gary Tangen, trust. Mr. Welnetz joined First Bank Duluth in 1979 and most recently was instalment loan representative. Mr. Tangen joined the trust department this past year and previously was owner of Minnesota Investment Counselors, Inc.

Norwest Bank Fergus Falls Elects Two New Directors

Norwest Bank Fergus Falls recently elected Allen Schroeder and Dr. Roger Frerichs to its board of directors.



A. SCHROEDER



R. FRERICHS

Mr. Schroeder is a native of Fergus Falls and has been engaged in dairy farming for 31 years.

Dr. Frerichs has practiced with The Fergus Falls Medical Group since 1972 and is a graduate of the University of Minnesota Medical School.

Willmar Officer Elected

R. Kevin Peterson has been elected instalment loan officer at First Bank Willmar.

Mr. Peterson started his career in banking at First Bank Willmar in 1980. In 1982 he joined the staff of First Bank Fargo, North Dakota, returning to Willmar in 1983. Most recently he has served as management associate in the instalment loan department.

South Dakota

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

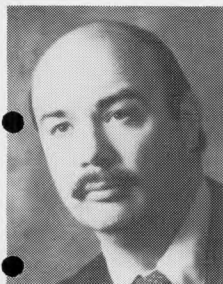


Top Executives Elected At First Bank, Sioux Falls

David S. Birkeland, president and chief executive officer of First Bank of South Dakota, N.A., has announced the election of Robert E. Leech to president of First Bank of South Dakota—Sioux Falls and Gary L. Wickre to senior vice president and head of



D.S. BIRKELAND



R.E. LEECH



G.L. WICKRE

the commercial and agricultural divisions in Sioux Falls.

Reporting to Mr. Birkeland, Mr. Leech assumed overall financial marketing, operations, and human resource management responsibility in the Sioux Falls marketplace as of December 1, 1984. Mr. Leech will have continued responsibility for managing the bank's state-wide trust operation.

In the related election, Mr. Wickre's promotion to head of the commercial and agricultural divisions in Sioux Falls, reporting to Mr. Leech, became effective January 1.

Mr. Birkeland commented, "These elections will greatly enhance the bank's ability to coordinate the development and delivery of commercial, retail, trust, and

other financial services to the Sioux Falls marketplace, while allowing me to concentrate more of my time and efforts with all of the First Banks throughout South Dakota."

Mr. Leech began his banking career in 1968 as a trust officer with the United Virginia Bank, Newport News, Va. From 1970 to 1975 he served as assistant vice president and trust officer at Security Bank and Trust in Southgate, Mich. Prior to joining First Bank of South Dakota, Mr. Leech served as head of the trust division of the Brenton Banks, Inc., of Des Moines, Iowa. He has held his most recent position as senior vice president and trust officer and head of First Bank of South Dakota's trust division since 1981.

Mr. Wickre has been associated with First Bank System, Inc., since 1963 when he went to work for First Bank Wessington Springs. Between 1966 and 1979 he held various positions with First Banks in Aberdeen, South Dakota, Northfield, Minnesota, and Minot, North Dakota. In 1979 he was elected vice president and second officer at First Bank Wahpeton, North Dakota. Mr. Wickre has been in his most recent position as president of First Bank Madison since 1981.

First Bank of South Dakota serves South Dakota state-wide with 24 offices in 17 cities.

Huron Retirement Told

Elinor Schwartz, real estate loan representative for Farmers & Merchants Bank, Huron, was honored in November at a reception for her retirement.

Ms. Schwartz joined the bank in 1959 as a bond teller and has been in the real estate department since 1962. Ms. Schwartz will continue to be employed at the bank on a part-time basis for an undetermined time.

Sioux Falls Banker Named ABA Advisor

Mary Lynn Myers, vice president, First Bank of South Dakota, Sioux Falls, has been selected by the American Bankers Association as a banking advisor for 1984-85. Ms. Myers is one of 14 bankers from around the country who have been selected by the ABA to participate in this consumer education program created to inform the public about banking issues and services.



M.L. MYERS

BMA CEO Seminar Is Feb 17-20 in Scottsdale

Bringing marketing and management together to ensure the long-term success of the nation's community banks will be the focus of the Bank Marketing Association's 10th annual CEO Seminar to be held Feb. 17-20 at Marriott's Mountain Shadows Resort, Scottsdale, Ariz.

The three-day conference, entitled "Marketing and Management: Innovations for Long-Term Performance," will cover such areas as loan pricing, personal banking programs, media relations, selection and education of board members, and successful management techniques.

The keynoter will be Leonard Berry, professor of marketing, Texas A&M University, College Station, who will speak on "Bank Marketing: Success Requirements."

The session on media relations, "What To Do When the Media Calls," will be led by Virgil Scudder, president, MediaCom, New York.

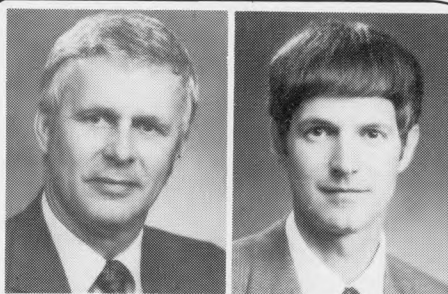
Getting the most out of bank directors will be covered in the session, "Your Bank's Board of Directors: Tapping an Untapped Resource," to be presented by Robert D. Dye, senior vice president, Financial Shares Corp., Chicago.

"Loan Pricing in the Community Bank" will be addressed by J. Keith Hughey, president, J. Keith Hughey & Co., Inc., Houston.

The last day of the program will be devoted to sessions on personal growth and management technique.

North Dakota

L. Nesvig, pres., LaMoure
H.J. Argue, exec. dir., Bismarck



NDBA CEO and Bank Management Conferences Set for January

PROGRAM DETAILS have been finalized for the North Dakota Bankers Association 1985 Chief Executive Officer Conference, "Interpersonal Relations for Banking Professionals," to be held January 28-29 at the Kirkwood Motor Inn, Bismarck. Gerald R. Williams, associate dean and professor of law at Brigham Young University, will give an in-depth presentation on "Negotiation Skills for Bankers."

The NDBA Bank Management Conference will also be held at the Kirkwood Motor Inn, Bismarck, January 29-30, following the conclusion of the CEO Conference. Michael J. Vopatek, president of Vopatek and Associates, Inc., will speak on "Organizing Yourself and Your Staff." Kent Stickler will present an in-depth look at management's role in selling a bank's products. Mr. Stickler, president of Financial Shares South, Clearwater, Florida, spoke at last year's NDBA bank management conference. An update on the status of state legislation will also be presented.

Program details of both conferences follow:

CEO Conference Program

Monday, January 28

- A.M.**
11:00 Registration.
P.M.
12:00 Luncheon.
1:00 Call to order and welcome.
1:05 "Negotiation Skills for Bankers"—Gerald R. Williams, associate dean and professor of law, Brigham Young University.
2:45 Break.
3:00 "Negotiation Skills for Bankers"—continued.
4:45 Reception.

Tuesday, January 29

- A.M.**
8:30 Continental breakfast.
9:00 "Negotiation Skills for Bankers"—continued.
12:00 Adjourn CEO conference.

Bank Management Conference Program

Tuesday, January 29

- A.M.**
11:00 Registration.
P.M.
12:15 Luncheon.
1:15 Call to order and welcome.
1:20 "State Legislation Update - Harry J. Argue, executive director, NDBA."
1:50 "Organizing Yourself and Your Staff"—Michael J. Vopatek, president, Vopatek and Associates, Inc., Hinsdale, Ill.
3:00 Break.
3:15 "Organizing Yourself and Your Staff"—continued.
5:00 Recess.
6:30 Social hour/legislative reception.
7:30 Banquet.
Entertainment: "How to Laugh at Your Neurosis"—Dr. Ronald Willoughby.

Wednesday, January 30

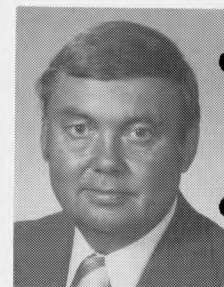
- A.M.**
8:30 Continental breakfast.
9:00 "Selling a Bank's Products — The Management Role and Perspective"—Kent Stickler, president, Financial Shares South, Clearwater, Fla.
10:30 Break.
10:45 "Selling a Bank's Products"—continued.
12:00 Adjourn. □

Virginia Bank Acquires Lewiston Cooperative

Citizens State Bank, Virginia, has received approval from the Nebraska Department of Banking and Finance to acquire substantially all the assets and liabilities of the Lewiston Cooperative Credit Association, Lewiston. The acquired cooperative will be operated as a branch of the bank.

Fargo Director Elected

Norwest Bank Fargo recently announced that Robert N. Spolum, president of the Melroe Company, has been elected to the bank's board of directors. Mr. Spolum also serves as a corporate vice president for Clark Equipment Company, of which Melroe is a business unit.



R.N. SPOLUM

Mr. Spolum, a CPA, attended Grinnell College, Iowa, and is a graduate of the Academy of Accountancy in Minneapolis, Minn.

Five Advanced At First National, Grand Forks

Richard O. Wold, president of First National Bank in Grand Forks, recently announced the following staff changes:

Steven Spicer has been promoted to branch manager of First National's Air Force Branch. He has been with the bank since 1977.

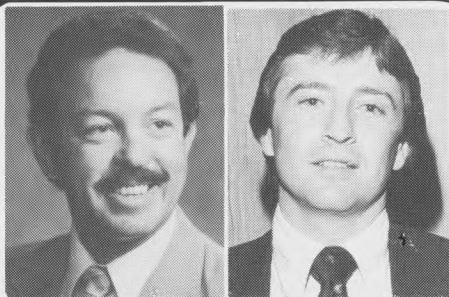
Terry Horski has been promoted to operations officer. She joined the staff in 1980.

Georgia Wentzel and Leah Zimmerman have been promoted to administrative assistants. Ms. Wentzel has been with the bank since 1971 and her primary responsibility is to assist the office of the president and executive vice president. Ms. Zimmerman started at the bank in 1961, and her primary responsibilities are trust account administration, stockholder communication and assisting the office of executive vice president-trust.

Ron Monson has been named installment loan officer. He joined in 1971 and most recently was assistant cashier.

Colorado

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



Western Natl. Appoints One

Western National Bank, Denver, has announced the appointment of Steve Sheridan as executive vice president and member of the board of directors.



S. SHERIDAN

Mr. Sheridan's experience includes 11 years with Denver National Bank and three years with Citibank, New York City. Mr.

Sheridan was international examiner for South and Central America and Canada while with Citibank.

National Bank, Denver, died last month.

Mr. Roberts joined the trust department of Colorado National Bank after graduating from Yale in 1930. Following three years service in the U.S. Navy, he joined Capital Life Insurance Company of Denver.

In 1958 he rejoined Colorado National Bank as executive vice president. He was appointed president in 1962 and from 1970-75 served as chairman. In 1968, he was elected president of Colorado National Bankshares, Inc., and served as chairman of the holding company from 1975 to June, 1976.

United Bank of Denver Promotes Six

United Bank of Denver's Chairman and Chief Executive Officer Richard A. Kirk has announced that Sally J. Kelly and Robert L. Hamilton were named assistant vice presidents; Randi J. Lewis was named trust officer, and Linda R. Kuhlman, Jannette M. Scarpino and Daniel J. LaPlante were promoted to officer positions.

A personal banking manager, Ms. Kelly joined United Bank of Denver in 1965. She has held several positions in consumer banking.

Mr. Hamilton, a credit approval manager, joined United Bank of Denver in 1980. He also has served as a personal banking officer and manager of indirect lending.

A manager in asset management services' employee benefits administration, Mr. Lewis has been with United Bank of Denver since 1981.

Appointed in Denver

Holly Clifford has been appointed vice president and cashier of South Denver National Bank. She will be in charge of all bank operations.

Mrs. Clifford has 12 years of fi-

nancial institution experience and formerly was vice president and controller of National City Bank.

Promotions Announced At First Interstate, Denver

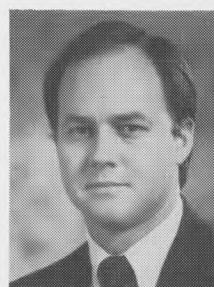
The board of First Interstate Bank of Denver has promoted John F. Steineger to senior vice president, and D. Paul Bocker, Don M. Clary, Hal S. Fireman, Stanley M. Gural-



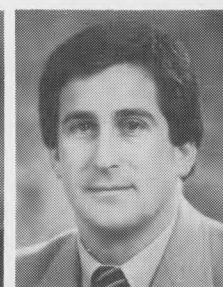
J.F. STEINEGER



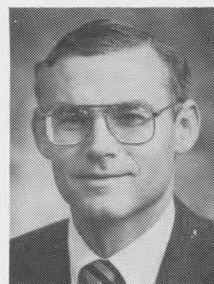
D.P. BROCKER



D.M. CLARY



H.S. FIREMAN



S.M. GURALNICK



J.C. HAMILTON

nick and J. Claudette Hamilton have been elected vice presidents.

Mr. Steineger, who is officer in charge of the funds management group in the bank's treasury division, joined First Interstate Bank of Denver in 1976.

Mr. Bocker joined the bank in 1980 and is director of public relations.

Mr. Clary joined the energy group in 1983 after eight years of banking experience in Denver and Texas.

Mr. Fireman has been with the bank since 1979 and in the real estate group a little over a year.

Mr. Guaralnick was an assistant

United Bank of Aurora-South Receives State Charter

United Banks of Colorado, Inc., recently received a state charter for its planned new bank, United Bank of Aurora-South, to be located at the intersection of Havana and Parker Road in Aurora. The new bank was to open in mid-December and was capitalized at \$1.5 million.

Monaco President Named

Gary J. Roberts has been elected president and chief executive officer of United Bank of Monaco. These duties are in addition to his existing responsibility as president of United Bank of Arapahoe. Mr. Roberts replaces Robert W. Tschappat, Jr., who is pursuing other career opportunities.

Mr. Roberts joined United Banks in 1972 and has held various operations and management positions throughout the organization. In 1981 he was named president of United Bank of Arapahoe.

Former Denver Banker Dies

Melvin J. Roberts, 76, former president and chairman of Colorado

professor at both the University of Bridgeport and Colorado School of Mines and an assistant treasurer with Chase Manhattan Bank before joining First Interstate's high tech lending group in 1983.

Ms. Hamilton has been with the bank since 1976 and worked in the real estate group for more than four years.

Two Promoted in Denver

Joe W. Stander and David E. Skoglund were recently promoted to assistant vice presidents at Colorado National Bank of Denver.

Mr. Stander began working at the bank in September as assistant controller and accounts manager.

Mr. Skoglund started his career at CNB as manager of the cash management division.

Former Banker Joins Shea Associates

Bill Shea has joined Shea Associates, a marketing consulting firm specializing in professional services, located in Denver.

Mr. Shea previously was vice

president and director of marketing for Central Bank of Denver and had marketing responsibilities for the 23 banks within Central Bancorporation, Inc. He also has held management positions in operations, marketing and strategic planning at First National Bank of Chicago, and Continental Illinois National Bank in Chicago.

United Acquires Colorado Springs Bank

United Banks of Colorado, Inc., Denver, has acquired Garden of the Gods Bank in Colorado Springs.

United Bank of Garden of the Gods has assets of \$22 million and employs 28 people. The bank is located at 560 Garden of the Gods Road.

W.R. Alexander Retires From First Interstate, Denver

W. Robert Alexander, vice chairman of the board of First Interstate Bank of Denver, has announced his retirement from the bank after 31 years of service, according to Robert J. Malone, president and CEO.

Mr. Alexander's contributions to this organization for more than 30 years are well documented and we will miss his full-time participation," Mr. Malone said. "However, we are pleased that he will remain as a director of both the bank and of our investment subsidiary, Denver Investment Advisors, so that we can draw on his years of experience and expertise."

Mr. Alexander, 57, joined International Trust in 1953

Promoted in Aurora

Jodie Smith has been promoted to marketing officer at Colorado National Bank - Aurora.

Ms. Smith joined the bank in 1982 as bookkeeper and in her new position will be responsible for advertising, public relations, training and new business development.

Central Bancorporation Closes Investment Deal

Central Bancorporation, Inc., Denver, closed financial transac-

What makes a banker good enough to be a Better Banker? Skill, knowledge and consistency, for starters.

That's why the correspondent bankers at Central Bank of Denver undergo extensive training in *all* areas of banking.



●ons last month pertaining to the investment in their organization by AmeriTrust Corporation, an Ohio-based bank holding company, announced George B. McKinley, president and CEO of CBI. Through the transaction, AmeriTrust purchased a non-managing interest in a limited partnership that owns 95 percent of Central Bancorporation.

● Mr. McKinley explained that AmeriTrust's non-managing interest will not affect the current directors and management of Central Bancorporation or its member banks across Colorado.

Mission State Bank Opens In Lakewood Shopping Center

Mission State Bank was scheduled to open in the Mission Trace Shopping Center at South Wadsworth Boulevard and Hampden Avenue in Lakewood last month, according to Charles R. Sillstrop, chairman.

Capitalized at \$1.5 million and initially employing eight persons, Mission State is affiliated with a group of four banks including the Bank of

Applewood, Adams County Bank, Montbello State Bank and Snow Bank of Dillon.

The bank is housed in a new 12,000 square foot, two-story building that features an atrium with skylight and marble trim throughout. There are five lobby teller windows and a drive-up facility with consumer and commercial windows.

United Bank of Denver Celebrates Centennial

United Bank of Denver celebrated its 100th anniversary November 26. To mark its centennial celebration, United Bank unveiled an exhibit entitled "Money, Trade and Treasures," which consists of 350 items in 13 displays.

United Bank of Denver, formerly Denver National Bank, was founded in 1884, and was one of only three Denver banks to survive the Panic of 1893. United States National Bank, United Bank of Denver's other predecessor, was opened in 1904.

In 1958, details for the consolidation of the two banks were com-

pleted and Denver National moved to the Denver United States National Bank Center.

By 1970, the Denver U.S. Bancorporation, which was established in 1964, had grown to include eight banks. To unify those banks, a new name and corporate symbol were adopted and Denver United States National Bank became United Bank of Denver.

Central Bank Announces Promotions and Appointments

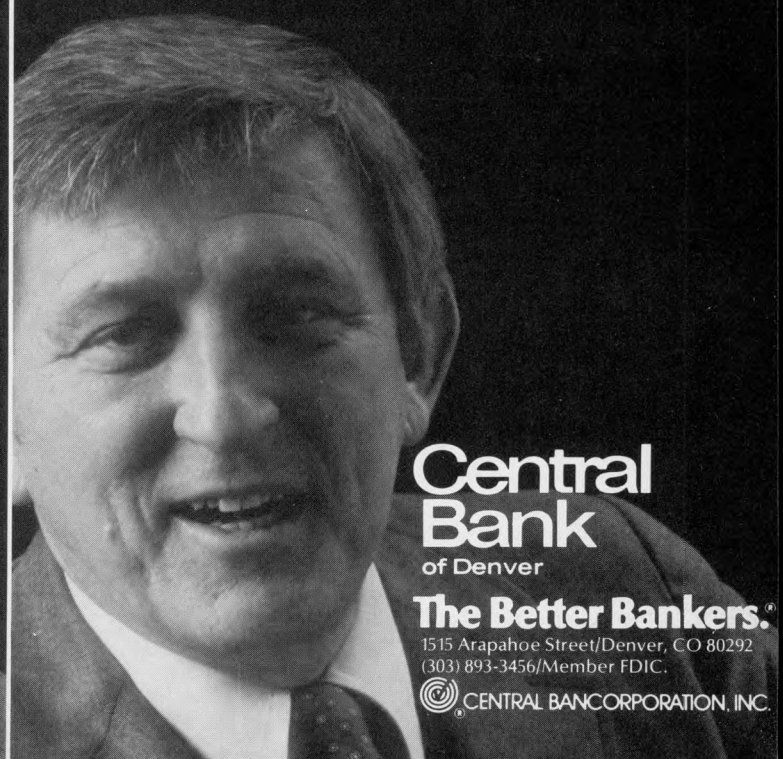
Central Bank of Denver has promoted three employees to assistant vice president, nine to officer positions and appointed one new officer. The bank has also appointed two new staff attorneys.

Jane M. Bocko, Garth Gibson and Barbara J. Sendecke have been promoted to assistant vice president.

Mr. Bocko joined Central Bank of Denver in 1982 as manager of cost accounting. Mr. Gibson joined Central Bank in 1981. He previously was a research assistant in the department of astro-geophysics at the

● So, whether you call for help to buy a bank, how to better manage your liquidity, learn about ATMs or need assistance with a large borrowing customer, you'll find that your Better Banker has the answers.


I'm Don Echtermeyer, Senior Vice President of correspondent banking at Central Bank. What I've just told you is based 100% on objective evaluation. And 100% biased pride in the job our people do. We invite you to call.



**Central
Bank**
of Denver

The Better Bankers.®

1515 Arapahoe Street/Denver, CO 80292
(303) 893-3456/Member FDIC.

 CENTRAL BANCORPORATION, INC.

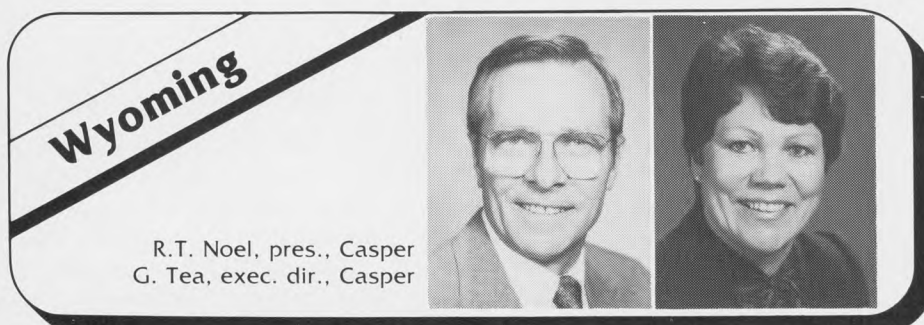
University of Colorado, Boulder. Ms. Sendecke has served as management of human resources development since joining Central Bank of Denver in September, 1984. Prior to that, she was with Harris Trust & Savings for over seven years.

New officers include: Edward R. Bernshausen and Susan L. Carriza-

les, accounting; Roger L. Bickel, data processing; Samuel G. Lucero and Carolyn M. Nighswonger, human resources; Marshall E. Mahlum, securities; Barbara B. Dalke and Jill M. McHugh, marketing; Edward D. Scott, customer financial center; Nola Greenwalk, retail banking, and Roberta A. Rodriguez, na-

tural resources.

Thomas J. Bissell and Adam M. Dalmy have been appointed staff attorneys. Mr. Bissell previously was an attorney in private practice with Cloutier & Musech of Minneapolis. Mr. Dalmy was an attorney in private practice with Mason, Reuler and Peek of Denver.



R.T. Noel, pres., Casper
G. Tea, exec. dir., Casper

WBA Credit Conference - Feb. 7-8

THE WYOMING Bankers Association 31st Annual Credit Conference will be held February 7-8 in Casper. This year's program format is different from past years. Starting Thursday, February 7, at 1:00 p.m. there will be a three-hour workshop on "Cash Flow Problems" given by Rex Beach, president of Financial Proformas, Inc., Lafayette, California. On Friday morning, February 8, four concurrent workshops will be offered on varied subjects of interest to all loan officers. These workshops will be repeated so that you can select two of most interest to you. Featured luncheon speaker on Friday is Dr. Sung Won Sun, senior vice president and chief economist from Norwest Bancorporation in Minneapolis. The program schedule follows:

Thursday, February 7

A.M.

11:00 Registration.

P.M.

- 1:00 • "Cash Flow Problems"—Rex Beach, president, Financial Proformas, Inc.
- 4:00 WBA open house, 152 North Durbin, Suite 316.
- 6:30 Cocktail reception.
- 7:30 Dinner and entertainment.

Friday, February 8

A.M.

- 8:45 Welcome—Lee Berger, conference chairman, and senior vice president, Wyoming National Bank, Casper, and Robert T. Noel, WBA presi-

9:00

dent, and president, Wyoming National Bank, Casper. Concurrent workshops.

- "Bank Liability"—David L. Garland, regional counsel, First Interstate Bancorp.

- "Legislative Update"—Auburn Dowdy, co-chairman, WBA legislative committee, and president, First National Bank & Trust, Cheyenne, and Jerry W. Rankin, co-chairman, WBA legislative committee, and executive vice president, First Wyoming Bank, Cody.

- "Loan Programs"—Paul Nemetz, district director, Small Business Administration; Larry McDonald, president, Wyoming Industrial Develop Corp.; Michael Ormsby, state director, Farmers Home Administration, and Butch Kodel, Department of Economic Planning & Development.

- "Loan Officers and Human Resources"—Nina Woodard, vice president and personnel officer, First Interstate Bank of Casper, and Don R. Brookshire, vice president, human resources, Wyoming National Bank of Casper.

10:00

Break.

10:30

Repeat concurrent workshops.

P.M.

12:00 Lunch.

- "Economic Outlook"—Dr. Sung Won Sun, senior vice president and chief economist, Norwest Bancorporation, Minneapolis.

1:30 "Living with Stress"—Dr. Robert Samp, University of Wisconsin Medical Center, Madison. Spouses encouraged to attend. ☐

Appointed in Casper

Orval Little has been named vice president in charge of lending at Bank of Casper. Mr. Little has 35 years of banking experience, including 30 years in consumer lending with Wyoming National Bank, Casper.

Cheyenne V.P. Named

Michael E. Bohl recently was named vice president and trust officer at First Wyoming Bank in Cheyenne. He had been serving as assistant trust officer at First Wyoming Bank - Laramie.

WBA Career Challenge Seminars Set for Spring

The Wyoming Bankers Association has scheduled the 1985 Career Challenge Seminar for Saturday, April 27 in Casper and Saturday, May 4, in Cheyenne.

Career Challenge is a skills-enhancement workshop aimed at improving the expertise and effectiveness of all personnel in the financial industry. This full-day seminar consists of four one-hour and 15 minute modules. The four challenges for this seminar include cross selling, extortion, bank swindles and money facts.

This seminar is especially recommended for all teachers, all new accounts personnel, bookkeepers, new employees and personnel needing refresher training.

For more information contact the WBA office in Casper.

Montana

C. Pedersen, pres., Great Falls
J.T. Cadby, exec. v.p., Helena



Senior Bank Managers Meet in Helena

THE MONTANA Bankers Association will hold its 1985 Senior Bank Management & Counsel Conference on January 31-February 1 at the Colonial Inn, Helena. The following advance program has been released:

Thursday, January 31

- A.M.**
8:00 Executive committee meeting.
10:00 Board of directors meeting.
10:00 Registration

- P.M.**
12:00 Luncheon, spouses invited. Presiding—Bob Sizemore, immediate past president, MBA.
1:00 Speaker, open.
2:00 Legislative panel. Moderator—John Cadby, MBA executive vice president. Panelists—George Benett, MBA general counsel; George Anderson, CPA; Les Alke, MBA consultant. Topics—Bank taxation, EFT, ag liens, mechanics liens and pledging.
6:00 Cocktail reception.
7:30 Evening open.

Friday, February 1

- A.M.**
7:30 Continental breakfast.
8:30 "Major Role of the Community Bank Today"—Randall Killebrew, president and CEO, First National Bank of Petersburg, Illinois.
9:00 "Are Banks in Trouble?"—Anthony Scalzi, FDIC.
10:00 Break.
10:30 "How Banks Can Profit From Insurance"—Robert W. MacDonald, president and CEO, ITT Life Insurance Corp.
11:00 "Current Trends in Enforcement Proceedings"—Robert B. Whitlock, Atty, Larkin,

Hoffman, Daly, Lindgren, Ltd., Minneapolis.

P.M.

- 12:00 Lunch with the Legislators.
12:30 "The World Food System, Structure and Situation"—Dr. James Austin, Harvard University.
1:30 Open time to meet with your legislator. □

MBA Ag Credit Conf. - Feb. 6-8

TENTATIVE agenda has been released for the 1985 Ag Credit Conference by the Montana Bankers Association Ag Committee Chairman Tony Sunsted, First Security Bank of Glasgow. Dates for the conference are February 6-8 at the Holiday Inn, Bozeman. Registration fee is \$90 before January 29 and \$115 after that date. The tentative schedule follows:

Wednesday, February 6

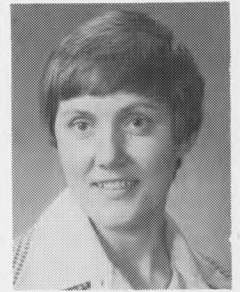
- P.M.**
6:00 Registration.

Thursday, February 7

- A.M.**
10:00 Marketing Developments Pertinent to Montana. "Lean Pork and Swine Market in Montana"—Jim Shephard. "Cash Settlement on Futures Contracts"—J.H. Bahn, extension marketing management economist, Cooperative Extension Service.
10:00 One on one with the state directors of FmHA, ASCS, SCS, SBA and Ag in Montana Schools. Legislative update.
P.M.
12:00 Lunch on one's own.

Elected in Great Falls

LaVonne R. Kirkhorn has been elected a vice president in the commercial lending division at First Bank West, Great Falls, announced Robert Reiquam, chief executive officer.



L.R. KIRKHORN

Ms. Kirkhorn started her banking career at the City National Bank in La Mirada, California, in 1967. She joined First Bank Great Falls in 1968 and has worked as universal teller, an outside adjuster and as an installment loan officer before joining First Bank's commercial loan department in 1977. She was elected an assistant vice president in 1981 and has worked in credit review and compliance functions over the past two years.

- 1:30 "The Politician vs. the Economy: Debunking Some Economic Myths"—P.J. Hill, Department of Economics, MSU, Bozeman.
2:30 Break.
3:00 "Bad Faith Litigation: Banks on Trial"—Keith Strong, attorney, Church, Harris, Johnson & Williams, Great Falls.
6:30 Banquet. "Economic Feasibility Study on Financial Independence"—Arnold Dimmucci, Jr., director, Southern Nevada Financial Association.

Friday, February 8

- A.M.**
8:30 Keynote Speaker—Wayne Purcell, Virginia Polytechnic Institute, Blacksburg, Va.
10:00 Break.
10:30 Agricultural Outlooks.
P.M.
12:00 Luncheon.
1:30 "What's New in Agriculture"—Panel from MSU.
2:30 Break.
3:00 Wind-up Summary, Wayne Purcell.
5:30 Smorgasbord.
7:00 MSU basketball game. □



“WHY SHOULD I BOTHER WITH LEASING?”

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

**banc
lease, inc.**

p.o. box 3128 omaha, nebraska 68103
an affiliate of first national bank of omaha

1 INCREASED PROFITABILITY

Equipment leases are generally more profitable to make than conventional loans due to the tax benefits you can receive.

2 BROADER CUSTOMER SERVICE

You get an edge on your competition 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.

4 NO FEES OR COSTS

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:

In Nebraska,

1-800-642-9907

In all other states,

1-800-228-4411

Nebraska

A.C. Hove, Jr., pres., Minden
S. Matzke, Jr., exec. v.p., Lincoln



Transfers to Omaha

The transfer of Dan Finken to Omaha as manager of Norwest's Region V Retail Services Department was announced last month by John Farrell, president of the Norwest Bank in Hastings. The appointment is effective January 14.

Mr. Finken joined Norwest Bank in Hastings in 1976 as an installment loan officer. He became the manager of the mortgage loan department in 1980, then was named vice president and marketing manager in 1981. In 1984 he was promoted to retail banking manager

with responsibility over consumer loans, mortgage loans and new accounts.

Appointed to Curtis Staff

John S. Wilkinson, executive vice president and cashier of Curtis State Bank, announced last month the appointment of Harold Farrar to the staff. A native of Curtis, Mr. Farrar will be an officer-trainee with responsibilities for teller work and loan documentation. He was a second semester graduate from the University of Nebraska at Lincoln, majoring in Business Administration.

Wymore Promotions

The following promotions were announced last month at The Wymore State Bank:

Mike Burchett, vice president, to compliance officer.

Patty Plantenga to assistant vice president and succeeding Mr. Burchett as cashier.

Kay Novotny to assistant vice president.

Sue Saathoff to assistant cashier.

O'Neill President to Retire

J.B. Grady, 68, president of O'Neill National Bank and with the bank for 50 years, will retire in January of 1985. His career with the bank has spanned 50 years and he has been president since 1973.

Julius D. Cronin, chairman, has announced that he will nominate James L. Rabe to succeed Mr. Grady as president. Mr. Rabe has been with the bank 11 years.

Management Conference, Legislative Dinner in Kearney



LEFT—Participating in the Area Legislative dinner which was held in conjunction with the Bank Management Conference were: NBA General Counsel **Bill Brandt**; NBA President **Skip Hove**; Bank Management Conference Chairman **Chuck Leffler**; Director of Banking **Roger Beverage**, and NBA Executive Vice President **Stan Matzke, Jr.** RIGHT—Other conference participants included: NBA Risk Manager **Steve McKelvey**; **Ken Ward**, v.p., Cornhusker Bk., Lincoln, and **John Miller**, exec. v.p., NETS.



Dr. **William Staats**, professor of banking, Louisiana State University, makes a point during his presentation.

CHARLES R. Leffler, chairman, Sioux National Bank, Harrison, was chairman of the recent NBA Bank Management Conference in Kearney. William F. Staats, professor of banking, Louisiana State University, stated, "It will not be the size of the bank, but rather the alertness of bank management to the changes that will determine the future success of the institution. You cannot adapt if you are not alert." He said the competitive threat by money center banks is a matter of concern but, ultimately, the market will determine which bank succeeds

and he feels the nod goes to the local community bank.

William P. Johnson, prominent Denver attorney, discussed "Increasing Profits" through mergers, acquisitions and expansions. Mr. Johnson is one of the nation's most experienced attorneys in one bank holding company formation.

How to improve profits through "Community Involvement" was described by Glen Lemon, chairman and CEO of First Bank & Trust Co. in Booker, Tex. His bank has had phenomenal growth by developing local business as he described.



Omaha

Three officer promotions were recently announced at Norwest Bank Omaha. They are: **William Dewhurst** to vice president, and **Mary C. Kalil** and **Bonnie Skartvedt** to personal banking officers.

Mr. Dewhurst graduated from Creighton Uni-



W. DEWHURST



M.C. KALIL



B. SKARTVEDT

versity with a bachelor of science in business administration in 1978. He began working at Norwest Bank in the bank card division in 1979. He was promoted to correspondent banking officer in 1982 and second vice president of the financial institutions group in 1983. His new title is vice president in the financial institutions group and his responsibility area is western Iowa, Lincoln and Omaha.

Ms. Skartvedt has a total of 19 year's banking experience, and started working for Norwest Bank Omaha South in 1980 as an agriculture loan department administrative assistant. She became manager of

the 29th & "O" Street facility in 1980, and was made assistant manager at 96th & "L" Street in 1982. In 1983 she was promoted to personal banking officer, and transferred to Norwest Bank Omaha at 20th & Farnam in October where she most recently was a personal banking officer.

Ms. Kalil began her banking career as a teller in 1966 and continued until 1970. In 1971 she joined Norwest Bank Omaha South and served as a teller, in new accounts and loan processing. In October of 1984, she transferred to Norwest Bank Omaha at 20th & Farnam where she most recently was a personal banking officer.

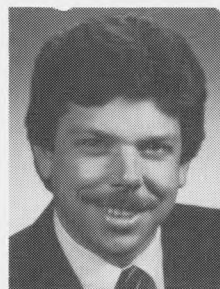
* * *

Packers National Bank has recently announced the following additions to its staff:

Lon J. Canaday, assistant vice president, commercial loans; **Gerry Schmidt**, marketing officer, and **Allan R. Roth**, bond investment officer.

Mr. Canaday joined Packers with five years previous banking experience from two Kansas City banks. He graduated from the University of Nebraska in Lincoln in 1977, with a degree in business administration.

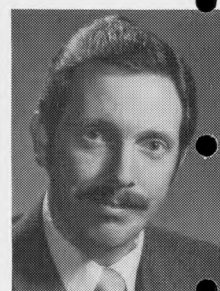
Mr. Schmidt will primarily be responsible for the bank's calling program and generating new business



L. CANADAY



G. SCHMIDT



A.R. ROTH

for the bank. He has several years prior financial experience and attended the Colorado Graduate School of Banking.

Previously with a Grand Island bank for over 11 years, Mr. Roth is a graduate of Wayne State College with a degree in business administration.

* * *

Dallas P. Hogan has been named vice president and trust officer for Southwest Bank & Trust, Omaha, as announced by **Perry Francis**, president.

Mr. Hogan joins the bank from Iowa City, Iowa, where he held a similar position with the First National Bank. While in Iowa City, Mr. Hogan had overall responsibility for employee benefit plans and probate estate operations. He also had account administration responsibilities for trust accounts and was responsible for updating the departments accounting system twice in the past ten years.

* * *



D.P. HOGAN

Two Omaha banks, in which **Marvin A. Schmid**, chairman of Southwest Bank of Omaha, has financial interests, have been sold. According to **Perry S. Francis**, president of Southwest Bank of Omaha, Southwest Ban Corp., the bank's holding company, has signed a purchase agreement with a Kansas City group headed by **Charles A. Garney**. Mr. Garney, head of Garney Holding Co., is chairman of SBT Holding Co.

If regulatory approval is received, Mr. Garney would become chairman of Southwest Bank. **Mark R. Simpson**, secretary of SBT and a bank



Don Ostrand



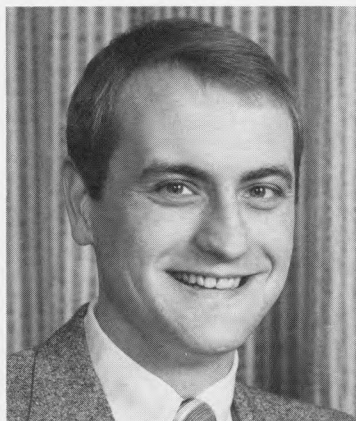
Ralph Peterson



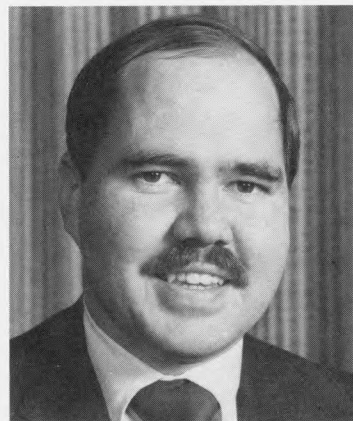
Jim Flodine



Fred Kuehl



Gerry Tomka



Tom Jensen

THE ANSWER MEN

CORRESPONDENT banking can be confusing, frustrating, time-consuming. Not so at First National Bank of Omaha. Just call to get the answers from one of our six experienced correspondent bankers. Six men with the very latest 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.



first national bank
of omaha
Member FDIC

consultant, would become a director of Southwest Bank. **George E. Karlin**, treasurer of SBT, and executive vice president of Centerre Bank in Kansas City, would leave his post at Centerre early in 1985 to become chief executive officer and a director of Southwest Bank.

Mr. Francis would become vice chairman and Mr. Schmid would become honorary chairman.

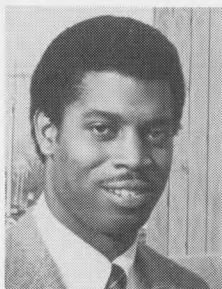
A group of investors, led by Kansas City attorney **James Tierney**, and **Robert McKee**, a former Kansas City resident who lives in Phoenix, Arizona, has purchased the Ralston Bank. A purchase price was not disclosed.

* * *

Monte Anthony has joined The Community Bank Omaha as business development officer, according to **Leon E. Evans, Jr.**, president.

Mr. Anthony worked in real estate sales in Lincoln for two years before joining All State Insurance. Most recently he served as a financial marketing representative with American Charter Savings and Loan.

Mr. Anthony played football for



M. ANTHONY

the University of Nebraska and was drafted by the Baltimore Colts in 1978. He played with the Colts for two years until a back injury ended his professional football career.

* * *

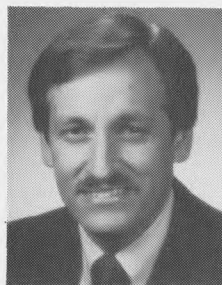
Irvine O. Hockaday, Jr., executive vice president of Hallmark Cards, Inc., Kansas City, has been appointed chairman of the Federal Reserve Bank of Kansas City.

Robert G. Lueder, chairman of Lueder Construction Co. of Omaha, has been appointed a director of the Federal Reserve Bank of Kansas City, and has been designated deputy chairman of the board.

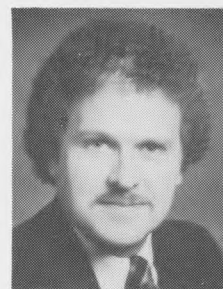
* * *

Harold Walton, president of Norwest Bank Omaha, West, has announced the promotion of three persons. **James K. Sterling** to vice president and manager of the business banking department; **Patrick J. McPherson** to cashier, and **Nancy Bloom** to facility manager.

Mr. Sterling began working at Norwest Bank in 1970 as a night



J.K. STERLING



P.J. MC PHERSON



N. BLOOM

teller. He was promoted to loan officer in 1973, assistant manager of the installment loan department in 1977, and manager of the installment loan department in 1979. In 1980 he was promoted to vice president and manager of the retail lending department. He will now head the business banking department, which is located at 3540 South 84th Street.

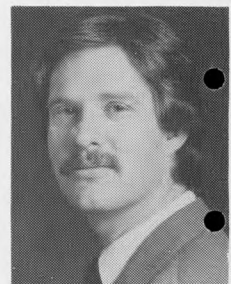
Mr. McPherson graduated from Creighton University in 1968. He began working at Center Bank in 1967 and has worked in nearly every department. Presently he is vice president/retail sector manager and is responsible for all the retail personal bankers, lenders, and facilities in addition to being cashier.

Ms. Bloom began working at Norwest Bank Omaha West in 1973 in the bookkeeping department. She has also worked in customer service, as a teller, teller supervisor and personal banker. She was assistant facility manager at the 45th & Center Street location for four years. She will now manage the facility at 14666 West Center Road.

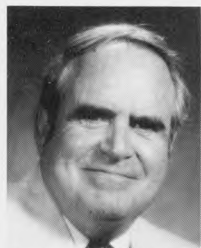
* * *

George S. Akers has been named director of branch operations for FirstTier Mortgage Co., an Omaha-based mortgage banking firm.

Mr. Akers joined FirstTier Mortgage in 1980 as loan administration supervisor in Omaha. Since 1983 he had been manager of the company's branch office in Oklahoma City, Oklahoma. He now is based in Omaha.



G.S. AKERS



WES BOWEN

PNB
packers
national bank

SERVING
AT
YOUR PLEASURE

402/731-4900
OR
1-800/642-9980

24th & "L"

Omaha, Nebraska 68107

Member FDIC



TOM GROVE



PAT CONWAY

OMAHA NEWS . . .
(Turn to page 60, please)

●How to Improve Profit . . .

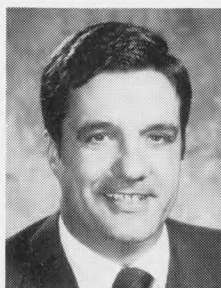
(Continued from page 19)

loans. Also, restudy and reanalyze all past due loans and loans being renewed or extended. Monitor loan collateral regularly and reprice at least yearly, but more often as necessary. Apply loan review techniques and standards coordinated with those of your examiners to avoid surprises. Move carefully in asserting your rights as lenders and do not violate your creditors' rights. Know the impact of loan losses on your bottom line.

Investment Portfolio: Settle on an investment program approved by your board of directors. Follow the plan carefully! Know the composition of your major liabilities and compute your bank's net interest margins, and marginal cost of funds. Use this to guide your loaning and investment functions. Document the maturity schedule of your liabilities and structure your assets to accommodate your need for funds to meet them. Attract interest-rate sensitive liabilities by adapting interest rates responsive to financial market conditions. Correlate the relationship between your various short-term assets against the maturity schedule of your short-term liabilities and study the effect and implications of a mismatch. Gap management is neither an art nor a science. A conservative but enlightened approach will serve you well. Who bragged most recently that they could manage the gap in the gap?

●**Personnel:** Manage your most important and sensitive asset with consummate skill. Train employees diligently and respect their judgment in their positions. Delegate management responsibility and insist upon high productivity. Make hot-shot salesmen of

them and reward their performance. Your banking environment during 1985 will seem much more rewarding.



WILLIAM LOGAN

President
Iowa Bankers Assn.
President
State Central Bank
Keokuk, Ia.

WE HAVE just asked our front line people to make a list of services we have been performing without charge. We then price these services, start charging, and when the customer asks "How come?" our reply has been, "Does your company give 'widgets' away?"

In another area, we found that a portion of our cash letter was about three hours late for the RCPC in Illinois. By splitting out Illinois items and catching an early RCPC plane from Cedar Rapids, we were able to make the RCPC cutoff, thus helping our collectibility. Also, we made a change from the Fed to our correspondent and picked up 10 percentage points. You might want to try that.

A third item we would suggest is "review the loan portfolio" and head off those lines which are deteriorating. Talk with your customers. Shrink that operation and start planning in advance of maturity so you are prepared for "I can't make my payment!" Take the lines one at a time and cooperate with all lenders in the credit in the work out.

A/L Management . . .

(Continued from page 26)

tageous to *replace* the 30-month CDs rolling off. If you projected a *rising* rate scenario, it may be advantageous for your bank, in the long run, to "rollover" the 30-month instruments as they come due. This allows you to "lock-in" the lower rate existing in early 1984. If you project a declining interest-rate scenario, you may want to push money markets or six-month CDs, i.e., short-term deposits. As we mentioned earlier, this is the reason why at least one of your bank's marketing officers should be on the ALCO so that he/she can direct marketing efforts toward the new instruments. Your marketing efforts also will depend on the amount of additional CDs you need to issue in light of your growth projections.

Obviously, some of your customers will simply withdraw their funds. Others may want a different maturity or variable-rate money market CD. Some will want a deposit instrument *contrary* to your strategy. However, your marketing efforts should be directed to promoting the instrument most advantageous at this time, and to the extent possible.

As you can see, ALM is a management tool for

designing and implementing specific strategies and actions to attain your bank's goals.

Q: Our bank is in a stagnant non-growing area of the country. Growth is out of the question. Given this situation, do I need to employ strategic planning?

A: Yes. Remember, growth is only *one* important factor in practicing ALM. Future interest rates and asset/liability mix also must be considered. In addition, non-interest income and expense accounts need to be examined. If you are in a no-growth situation, step back and look at other avenues of ALM strategy.

Q: I understand that if my bank is in a "zero-repricing gap" position, I've minimized interest-rate risk. Why do I need to do anything more?

A: Interest margins are declining for most banks. If you throw in deregulation and increased competition, we must manage our banks more effectively. We are *not* saying ALM is a cure-all for the challenges facing us today, but ALM, practiced prudently, can help our profitability.

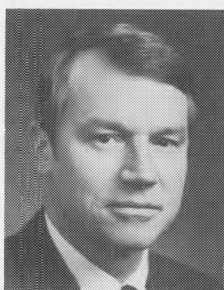
Specifically, a positive or negative gap position can improve profitability given the right movements of interest rates. If you can change to a desirable gap position, then move in that direction. However, maintain a back-up strategy if rates move in a direction contrary to your original beliefs. □



Lincoln

Donald R. Stading recently was elected vice president of the National Bank of Commerce.

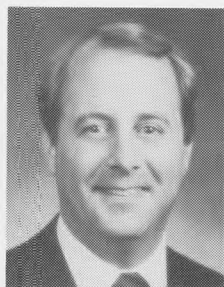
Mr. Stading joined NBC this summer as staff counsel to work with the lending divisions. He previously had served as associate legal counsel for Banker's Life



D.R. STADING

assistant vice president. He joined the bank as a management trainee in 1979 and has held the positions of operations analyst and assistant manager of check processing. Prior to this promotion he was customer service officer.

Gordon Shupe was promoted to assistant vice president. He joined the bank in 1975 as systems documentation manager of the information management division. He has been in the electronic banking department since 1978 and has been an electronic banking officer since July, 1979.



G. SHUPE

Dean Batie was elected farm and ranch officer. He joined the bank in April, 1983, as a farm and ranch manager for the Kearney area. He previously had been a beef processing manager with Cornland Beef Industries.

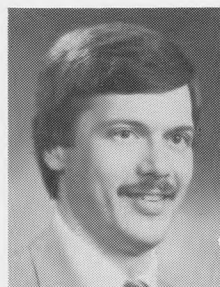
Tim Hull was elected check processing officer. He joined in June, 1981, as a management trainee. Since July, 1982, he has been assistant manager of the check processing department.

* * *

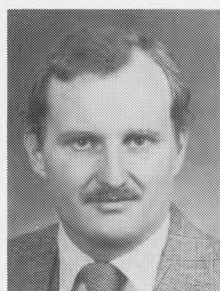
At National Bank of Commerce Computer Services Corporation, the following individuals were recognized by promotions:

Dan Coughlin has been promoted to assistant vice president. He joined NBC Computer Services Corporation in 1980 as a programmer/analyst I. Later he transferred to technical specialist and is currently manager of the technical support area.

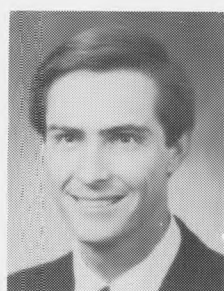
Rob Spackman has been promoted to assistant vice president. He joined the conversion staff of NBC/CSC in 1980. Prior to that time, he worked for the National Bank of Commerce in Bookkeeping and as a vault teller.



C. CHAMPION



D. BATIE



T. HULL

before coming to NBC. Mr. Stading is a 1970 graduate from the University of Nebraska Law School.

Other officer elections and promotions for National Bank of Commerce were announced by the board of directors.

Craig Champion was promoted to

Mike Sorensen has been promoted to marketing officer. He first joined NBC in the check processing department then transferred to NBC/CSC as a marketing representative in 1979. After a year away from CSC, Mr. Sorensen rejoined CSC in March of 1984 to resume his duties as a marketing representative.

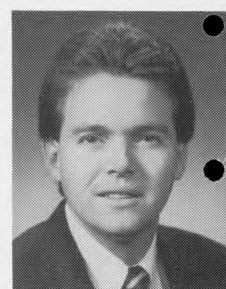
Lonnie Lindbeck has been promoted to customer services officer. He joined the technical support staff of CSC in 1983.

OMAHA NEWS . . .

(Continued from page 58)

Thomas M. Troester has joined FirstTier Leasing Co. as a second vice president, concentrating in commercial and industrial leasing.

A graduate of the University of Nebraska—Lincoln, Mr. Troester formerly was an assistant vice president in commercial lending for Texas Commerce Bank in Houston.



T.M. TROESTER

Lending School Graduate

Don Weiss, vice president of commercial loans at First National Bank and Trust Company of North Platte, recently graduated from the National Commercial Lending School. The school was held at the University of Oklahoma with 170 class members from 38 states.

Neligh Addition Announced

Gary Gunderson has joined the staff at The National Bank of Neligh as a loan officer trainee.

Prior to joining the Neligh bank, Mr. Gunderson was with The DeLay First National Bank & Trust Co. of Norfolk.

Nebraska Savings to Buy Midwest Federal Wayne Off.

Nebraska Savings has announced its intention to buy the Wayne office of Midwest Federal Savings & Loan Association of Nebraska City. An application has been filed with the Federal Home Loan Bank Board of Topeka. When complete, it will bring to 26 the number of Nebraska Savings' branches in the state.

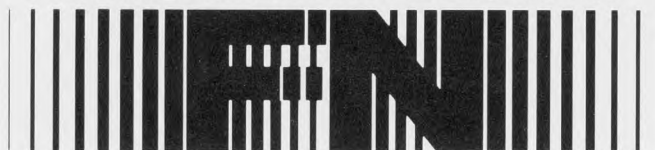
The Experienced Professionals of First National Lincoln.



Ready to meet your investment needs.

Put your trust in the Municipal and Government Bond specialists of The First Team. Fast. Knowledgeable. Experienced. First National Lincoln — Nebraska's most active dealer bank.

The First Team.



FIRST NATIONAL LINCOLN

A FirstTier Company

13th & M Streets • P.O. Box 81008
Lincoln, NE 68501 • Phone (800) 742-7376

Member, F.D.I.C.

Export-Import Experts

There's a new Iowa team to help you help your customers do business overseas.

The Iowa Export-Import Trading Company assists Iowa companies in marketing, shipping or procuring their products outside the U.S.

Bankers Trust provides a full range of international banking services to facilitate the financial and documentary aspects of doing business overseas.

The New Iowa Team
Bankers Trust
Come Grow With Us
 Member FDIC
 (515) 245-5288

Now, this Iowa team is working together to help increase Iowa's share of global markets. We have the experience and resources to provide a complete package of international trading assistance.

If you have a customer doing business in foreign markets now, or wishing to do so, contact Bankers Trust's International Division. Together, we'll take on the world... and win!



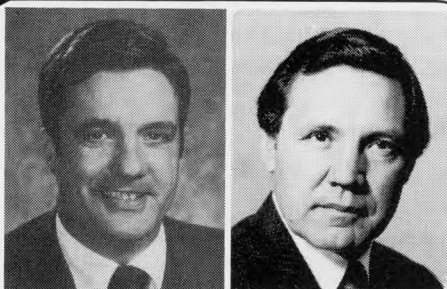
IOWA EXPORT-IMPORT TRADING COMPANY

(515) 245-2464

MADE IN IOWA U.S.A.

Iowa

W. Logan, pres., Keokuk
N. Milner, exec. v.p., Des Moines



Agenda Set for Mid-Winter Management Conference in Keystone

THE IOWA Bankers Association is sponsoring the Fourth Annual Mid-Winter Management Conference February 27 - March 1 at Keystone, Colorado. Three days of activities have been planned for bankers, spouses and families, providing the perfect combination of educational programs and the opportunity for CEOs, directors and senior managers to interact with each other while enjoying the 32 runs at Keystone Mountain. A tentative agenda follows:

Wednesday, February 27

P.M.

- 6:00 Get-acquainted reception. Welcome—IBA President Bill Logan.
- Legislative Update—IBA Executive Director Randy Steig.
- Dinner on own.

Thursday, February 28

P.M.

- 6:00 Social hour.
- 7:00 Dinner.
- 8:00 "Banking—Where Do We Go From Here?" presented by a panel of bankers and moderated by Randy Steig. Special program for children and teens up to age 18.

Friday March 1

P.M.

- 6:00 Social Hour.
- 7:00 Dinner.
- 8:00 "Profitability Management in the Bank"—James L. Green, chairman, Bank Management Resources, Inc., Decatur, Ga. □

Titonka Open House Held

At Titonka Savings Bank's annual "Thank You Customers" open house held December 7, more than 600 visitors offered their congratu-

lations to Ed Boyken, bank chairman, for his 50 years of service to the Titonka Savings Bank.

Mr. Boyken, who worked for the bank several years while attending high school, joined the bank full-time in 1934 after attending Luther College. His first responsibilities included bookkeeping and teller work. In addition to his service to the bank, Mr. Boyken has been a long-time active member in the Titonka community.

Kalona Bank Celebrates 85th, F.E. Skola Honored

On December 13, Farmers Savings Bank, Kalona, held an open house in honor of its 85th anniversary. In addition, the bank celebrated the 55 year career of F.E. Skola, Jr., chairman of the bank.

Farmers Savings Bank opened October 2, 1899, and for all but three of its 85 years, a member of the Skola family has been employed there. F.E. Skola, Sr. joined the bank in 1903 and remained with the bank 31

years. F.E. Skola, Jr. joined the bank in 1929 and became president in 1942, a position he served in until 1977, when he resigned and was appointed chairman. He was succeeded as president by his son, Jan M. Skola.

Ames President Named, Two Others Promoted

Daniel L. Krieger has been named president of First National Bank, Ames. He succeeds Robert W. Stafford, president since 1967 and chairman since 1978. Mr. Stafford will continue as chairman of the bank, and as president and chairman of the bank's holding company.



D.L. KRIEGER

Previously executive vice president and trust officer, Mr. Krieger has been with the bank 25 years, having joined the staff in 1959 following graduation from Iowa State University. He has been a member of the board since 1978 and is also vice president and a director of Ames National Corporation.

Also announced was the promotion of Steven J. McLaughlin to assistant vice president and trust officer and Timothy M. Fitzgibbon to auditor.

Mr. McLaughlin joined the bank in 1974 and is responsible for trust department operations. Mr. Fitzgibbon is a 1983 graduate of Iowa State University in business administration and political science.

Construction Underway on Mall Office



CONSTRUCTION has begun on a new Farmers State Bank office in the Collins Road Square Mall between Marion and Cedar Rapids. According to FSB President **Clair J. Lensing** and Board Chairman **Morris F. Neighbor** the 1,800 sq. ft. office, designed by Olson, Popa, Novak, Architects, P.C., will provide customers with full service banking including a drive up facility. The new Farmers State Bank office is expected to be open by January 1. Farmers State Bank has its main office in downtown Marion with branch offices in Alburnett, Hiawatha and Lindale Mall, Cedar Rapids.



Barbara Marcus (left center), pres. of IYBA and cash., Maquoketa State Bk., is pictured with **Dr. Emerson Hazlett** (left), dir., joint council of econ. educ., Univ. of Kansas, and **Pete Adrian**, state coord., Young Bank Officers of Kansas, and a.v.p., First Natl. Bk. of Lawrence, Kan. **RIGHT**—Attorney General **Tom Miller** (center), talks with **Don Ellis** (left), cash., Solon State Bk., and **Pete Adrian** during break.



IYBA Sponsors Education Workshop

A CONSUMER Education Workshop, sponsored by the Iowa Young Bankers Association was held November 29 in Des Moines. Barbara Marcus, cashier of Maquoketa State Bank and president of the IYBA, welcomed bankers from across the state to the workshop.

Marva McCarty, education manager/AIB coordinator for the Iowa Bankers Association, started the morning off with a slide presentation on PEP, Personal Economic Program. Dr. Emerson Hazlett, director of the joint council on economic education, University of Kansas, followed Marva with his overview on why bankers should be involved in economic education for consumers and the successful programs currently being conducted in the Kansas school systems.

Attorney General Tom Miller spent some time with the group telling about The Iowa Young Consumer Project being generated out of his office. This program is scheduled to begin as a pilot project in Polk County schools in January. According to Mr. Miller, the Iowa Young Consumer Project complies PEP.

Following break, Bert Hanson, business instructor of Indianola High School, gave the group some helpful tips and insights to dealing with teachers and students. He stressed working with teachers to ensure that one's presentation is relevant to the class, and that it achieves certain goals agreed on by both you and the teacher.

The morning session wrapped up with Pete Adrian, state coordinator, Young Bank Officers of Kansas, and assistant vice president, First National Bank of Lawrence, Kansas,

with his talk on "Making it Work," and a report from Michelle Thompson, research associate, American Bankers Association.

Following lunch, the group participated in roundtable discussions on implementation. □

BANCADO Users Group Meets in Des Moines

The third annual BANCADO User Group meeting was held recently at the Des Moines Hyatt. Sixty-two bankers from a dozen states (as far away as Colorado, Texas, Michigan, and Virginia) spent the morning discussing operational procedures under the direction of Jim Jorgensen, president of Central State Bank in State Center, Ia. Mr. Jorgensen said "There is so much information available from this system that it is good to meet and find out how other users are taking advantage of it."

In the afternoon, Leonard Waldorf and Ron Dorrell of Waldorf Computer Systems in West Des Moines presented a short review of program enhancements made available during the past year and a look ahead to changes in the coming year. In a departure from offering only bank software sales, Mr. Waldorf announced that his firm will offer the preparation of 1099 magnetic tapes as a service so that user banks will not have to purchase tape drives. A question-and-answer session closed the meeting with representatives from Waldorf, Data Business Equipment of Des Moines, and Willmar Data Systems of Willmar Minnesota fielding questions.

The evening before the meeting, an open house was held at Waldorf

Computer Systems' new offices at 119 19th Street in West Des Moines. During the evening, visitors viewed the new BANCADO Mortgage Loan System operating on CONTEL CADO's ATS-16 16 Bit computer. Waldorf Computer Systems, Inc. provides BANCADO banking software through CONTEL CADO and BANCADO distributors nationwide and internationally through CONTEL CADO. The modular software, originally developed in 1977, includes capabilities for all types of deposit account and loan processing as well as CIF, general ledger, and bond accounting.

IBA Commercial Lending School—Feb. 24-March 2

The Iowa Bankers Association Commercial Lending School is scheduled to be held February 24 through March 2 at Iowa State University in Ames.

The curriculum for the Iowa Commercial Lending School was developed in cooperation with the American Bankers Association, industry experts from throughout the country, ABA staff members, the School Advisory Board and IBA staff members. Each course is an integral part of the entire program place to provide continuity through the entire week and meet the school objectives.

The IBA Commercial Lending School (200 level) also serves as a preparatory school for the more advanced Commercial Lending School (300 level).

Tuition is \$650, which includes room, meals, casebook and study materials. The entire fee must accompany the application. For more information or registration contact Judi Carber, IBA, 430 Liberty Bldg., Des Moines, Iowa 50308.

When You Build Or Remodel Your Bank, Who Really Benefits?

- ☒ Your Local Excavator
- ☒ Your Local Concrete Supplier
- ☒ Your Local Mason
- ☒ Your Local Electrician
- ☒ Your Local Plumber
- ☒ Your Local Heating Supplier
- ☒ Your Local Paint Store
- ☒ Your Local Painter
- ☒ Your Local Roofer
- ☒ Your Local Air Conditioning Company
- ☒ Your Local Lumber Yard
- ☒ Your Local Carpet Store
- ☒ Your Local Hardware Store
- ☒ Your Local Motels
- ☒ Your Local Restaurants
- ☒ Your Local Drapery Shops
- ☒ Your Local Appliance Store
- ☒ Your Local Landscaper
- ☒ Your Local Newspaper

The Kirk Gross Company uses local contractors and suppliers whenever possible. But they're not the only people who benefit.

☒ YOU DO, TOO!

The whole town benefits. That's what your operation is all about. That's what our operation is all about.



4015 Alexandra Drive
Waterloo, Iowa 50704
Phone 319-234-6641

Sioux Center Bank Is Sold to Den Herders

Controlling interest of the Hospers Agency Company, a one-bank holding company that owns The American State Bank of Sioux Center, was purchased November 16 by W. Dale Den Herder and his father-in-law, Jake H. Vande Brake. The sale was made by the Kermit Wagner estate of Schuyler, Nebr.



Karen and Dale Den Herder

The American State Bank of Sioux Center has \$70 million in assets, with additional offices in Hospers and Granville. The charter was moved from Hospers to Sioux Center in 1973 and previously was known as the Hospers Savings Bank.

Mr. Den Herder joined the bank in 1973 as executive vice president and was elected president in 1977.

Marion Bank Holds Fourth Annual Copper & Silver Bowl

Over 1,020,000 coins were counted at Farmers State Bank, Marion, on December 6, in the Fourth Annual Copper and Silver Bowl promotion. Each year, for one day, FSB buys loose change and pays premiums and bonuses to the individuals owning it and bringing it to the bank's Marion office. This year the bank purchased 876,000 pennies, 45,000 nickels, 42,000 dimes, 55,000 quarters and 2,200 various other U.S. coins.

Responding to the promotion were 235 entrants, primarily from Linn County, but also from as far as Strawberry Point and Iowa City. FSB officials say the purpose of the promotion is for the fun and excitement it generates and also to assist

Waterloo Girl Now a Top Paratrooper

WHEN Iowa and other midwest residents see the United States Army's prestigious Golden Knights paratroopers putting on demonstrations anytime during the next three years, they may well be witnessing the successful story of a dedicated, goal-oriented 20-year old Waterloo young lady named Andrea Gross. Andrea is the daughter of Mr. and Mrs. Jerry Gross of Waterloo. Her father is well-known to many bankers throughout the state as president of Kirk Gross Company, the turn-key specialists in bank design and construction.

After her 1982 graduation from high school, she enrolled at the University of Northern Iowa, but became intrigued with Army service when she was given details of the Veteran's Administration Educational Program available through the Army. Under VAEP, the Army will pay \$5 for every \$1 the individual puts in for four years of college, based on a three-year enlistment. Not sure of what she was really seeking at that time from a college education, Andrea was soon in the Army and has completed various training programs at Fort Dix in New Jersey, Fort Gordon and Fort Benning in Georgia, and more recently at Fort Bragg in North Carolina.

She has been trained as a teletype operator and a paratrooper, with

duties in the field communicating between front-line troops and rear headquarters. In 1983 she was one of 100 women among 6,000 paratroopers who parachuted into Grenada—and the only women in her particular troop of 60 soldiers.

More recently, she completed a two-week added training course for the HALO (High Altitude Low Opening) special forces group, trained for the purpose of under-cover work.

Andrea was accepted for the rigorous six-week training required of paratroopers seeking membership in the Golden Knights parachuting team. At the conclusion of that training, she was accepted for the Golden Knights, becoming one of only three women in that elite group.

Although her three-year period of enlistment expires next August, Andrea has elected to re-enlist as a Golden Knight for another three years. How does she feel about the rigorous training she has undergone? "I am much more independent and sure of myself," she told a Waterloo newspaper interviewer. "I have more confidence. I know that if there is something I want to do, I can complete it. And I can succeed. Yes, the Army has given me confidence. When I put on my uniform, I stand tall and proud."

partially in keeping the banks coin inventory supplied. Ordinarily, banks purchase coins from private and governmental financial institutions which necessarily require a processing and/or delivery fee. With the Copper and Silver Bowl, the fee is saved and paid to customers in the form of bonuses and premiums for their coins. The bank says even though the cost of the promotion is higher than paying the fees, it's well worth it.

The face value of the coins purchased by the bank in this year's event totaled over \$31,000. Awards totalling \$800 were given to promotion entrants in six categories: (1) to everyone a 10% bonus for pennies up to \$10 per individual, (2) a 10% premium up to \$25 per individual for the largest collection of each of four U.S. coin denominations; pennies, nickels, dimes and quarters, (3) a 10% premium up to \$50 for the indi-

vidual bringing in the collection of combined U.S. coins with the highest face value. No individual, however, could win more than one premium.

Winning individual entries were: 108,000 pennies; 15,000 nickels, 4,000 dimes and 9,000 quarters. The highest individual face value collection amounted to more than \$3,200.

One sidelight to the promotion was a collection of old silver U.S. coins brought in by a gentleman who was apparently unaware of its potential value. When informed of this by bank officials with a suggestion that he should contact a reputable appraiser, the man left the bank with his coins. He returned a short time later with his thanks for he had sold his \$12 worth of coins for \$85.

Farmers State Bank tentatively plans to conduct the 1985 Copper and Silver Bowl on Wednesday, December 11th.

Strength in Service.



Roma Kroll
Assistant Vice President
Investments



Mark Sorensen
Assistant Vice President
Ag Lending



Lon Kelling
Ag Lending Rep.

(L) **Max Larson**
President
(R) **Jim Anderl**
Sr. Vice President



Doug Schmidt
Vice President
Commercial
Lending



Gary Stevenson
Vice President
Correspondent Banking
712-277-0618

HOW WE SHARE OUR STRENGTH WITH YOU:

- **Item Clearance Services** to maximize available funds.
- **Investment Services** to handle Fed Funds, money transfers, security purchases and sales.
- **Loans** for a full range of services, including overline and liquidity loans, assistance with your ag loans, commercial and bank stock loans.
- **Credit Card Services** for merchants and consumers for both MasterCard (including MasterCard Gold) and Visa.
- **Data Processing** to put you on-line to the Banks of Iowa computers, the area's most successful EFT/Instant Access processor.

Share our strength in service — the kind of strength you know will be there to help you, now and for years to come!

See you at the Group I Meeting February 8 and 9!

First National Bank 

Member FDIC • Sioux City • A 'BANKS OF IOWA' BANK



Des Moines

Marcia A. Montag has joined Brenton Banks, Inc. as in-charge auditor for the audit division, where she will be responsible for conducting internal bank exams to meet state requirements.



M.A. MONTAG

Ms. Montag most recently was with Peat, Marwick, Mitchell & Company, and prior to that she was a mathematics and accounting instructor at Iowa State University. She is a certified public accountant and graduate of Iowa State University with a BS degree in Mathematics.

R. Douglas Fisher, executive vice president of Hawkeye-Capital Bank & Trust, announced last month the expansion of the bank's Investor Center into two branch locations. Open houses were held during the week of December 3-7 to promote the new Investor Centers at 2426 Hubbell Avenue and 5700 Hickman Road.

The innovative Investor Center concept focuses on non-traditional banking investments like treasury notes and bills, municipal bonds, discount brokerage services, and tax-free checking accounts. The concept is to make these investment opportunities more readily available to bank customers as a normal course of business.

The Hawkeye-Capital Investor Centers feature a distinct physical

look including its own logo, electronic message center, rate board, and brochure rack. The main bank location of Hawkeye-Capital, at East Fifth and Locust, has been operating the Investor Center since August 1983. The Investor Center is a registered trademark and copyright by Hawkeye Bancorporation.

Robert G. Millen, president and chief executive officer. United Central Bank of Des Moines, N.A., has announced the appointment of **Julie T. Kanak** as commercial loan officer in the metropolitan commercial services division.



J.T. KANAK

Ms. Kanak joined United Central Bank from

Valley National Bank, Des Moines, where she held the position of commercial banking officer. Prior to that she worked with West Des Moines State Bank as general management trainee.

Center Point Director Named

William R. Bernau, president and chairman of Iowa State Bank & Trust Co., Center Point, has announced that **Don R. Cook**, retired farmer and lifetime resident of Center Point, has been elected to the bank's board.

Chariton Directors Elected

National Bank & Trust Company, Chariton, recently announced the retirement of **Jay B. Evans** from the board due to ill health. **M. Dean Arnold** has been elected to replace Mr. Evans on the board. Mr. Arnold is a long-time area farmer.

Also announced was the election of **Dr. R. Vaughn Lewis** to the board. Dr. Lewis has operated a private veterinarian practice in Chariton since 1945.

IBIS Pension Seminar Set

Iowa Bankers Insurance and Services, Inc. has announced an upcoming Pension Plan Seminar to be held at three locations on three different dates: January 16 at the Highlander Inn, Iowa City; January 30 at the Airport Hilton Inn, Des Moines, and February 6 at Carrollton Inn, Carroll.

Registration fee of \$15 includes lunch. The seminar will run from 10:30 a.m. until after 3:00 p.m. For further information contact the IBIS headquarters in Des Moines.

Hawkeye, UCB Cancel Merger Talks

THE proposed merger of United Central Bancshares, Inc. into Hawkeye Bancorporation, both Des Moines based multi-bank holding companies, has been terminated by mutual consent of the board of directors of both companies, according to a joint announcement made by **Paul Dunlap**, president and chief executive officer of Hawkeye, and **Kenneth M. Myers**, chairman of the board and chief executive officer of UCB. The proposed merger was first announced on July 20, 1984.

The reason for the termination of

the merger, they said, is Iowa's continuing deteriorating economy. Both organizations have suffered increases in loan losses and earnings deteriorating during 1984. Management of both companies have concluded that it is in the best interest of each organization to remain independent, and to devote its full resources to a solution of the economic problems in the market areas served.

Mr. Myers further announced that UCB will proceed with the First Interstate franchise, with July 1 as a proposed effective date.

Commitment

Michael Austin
Vice President and Manager
Iowa Correspondent Services
(515) 245-7251



William Duma
Vice President
Iowa Correspondent Services
(515) 245-7253

Kenneth Danilson
Vice President
Iowa Correspondent Services
(515) 245-7348



William Mullins
Assistant Vice President
Iowa Correspondent Services
(515) 245-7157

Margo Foxhoven
Operations Assistant
Iowa Correspondent Services
(515) 245-7019



Diane Grotenhuis
Secretary
Iowa Correspondent Services
(515) 245-7353

We're positioning ourselves for the challenge ahead. We're ready and our future commitment continues to be with you, one of the over 200 correspondent banks we serve throughout Iowa.

Stay with the leader in correspondent services.



UNITED CENTRAL BANK®

OF DES MOINES, N.A. AFFILIATED WITH UNITED CENTRAL BANCSHARES, INC. MEMBER FDIC

'85 EFT Conference Set for February

THE ITS 1985 EFT Conference is scheduled for Feb. 12-13 and promises to be better than ever. Location for this year's conference is the Marriott, Des Moines.

Something new at this year's conference will be Peer Group Sessions. At 1:00 and 2:00 p.m. on day two of the conference, attendees will be able to gather with other attendees, a representative from a participating financial institution chosen to lead the discussion and an ITS staff member, to share ideas and ask questions.

Choices for the 1:00 p.m. session are Marketing, Data Processing Center (DPC) Backup and Operations. Groups will meet at 2:00 p.m. on POS/Script Issuance Terminals, Technical and Strip File Authorization.

Day one of the conference will consist of four programs. Three of the programs will include two 25-minute presentations each hour, with 10-minute breaks in between. Program four will consist of 50-minute presentations, also with breaks. Open time has also been scheduled

in so that attendees will be able to visit the Exhibit Hall.

Among the many topics to be covered are an update on Nationet, an introduction to home banking and explanations of the AT&T divestiture and EFT legislation. There also will be speakers discussing marketing, how to increase ATM usage and methodologies for ATM placement.

Presentations involving automated clearing house news include one on the Enhanced Automated Clearing House Mechanism (EACHM) and an explanation of recent changes in the Federal Reserve's handling of ACH items and update on Federal Reserve activities.

Rounding out the first day's topics are financial technology analysis, POS/fuel pump update, ATM security, and 50-minute presentations on the future of POS, error resolution and ATM costs.

"Comparison of Iowa and the U.S. Regarding EFT," will begin the second day. Following is a motivational address, "How to Build an 'A

Team,'" and an address about the world trade center. The peer group sessions follow lunch and round out the program.

Elma Bank Is Sold

Controlling interest in Peoples Savings Bank of Elma has been sold to R & J Financial Corporation by the estate of the late Al Saylor. Clinton Richards and Joe Johnson are the principals of R & J.



J. JOHNSON

Mr. Richards has been elected chairman of Peoples Savings and Mr. Johnson has been elected president and managing officer.

Mr. Johnson also announced that Bruce J. Weigel was promoted from assistant cashier to cashier.

Mr. Johnson formerly was cashier at Farmers State Bank in Plainfield where he started his banking career 20 years ago. He is a graduate of the Iowa Bankers Ag Credit School at Ames.

Mrs. Helen Saylor will continue living in Hampton where she is chairman of First National Bank.

Promoted in Sioux City

Jacquelyn J. Kott has been promoted to real estate loan officer at First National Bank in Sioux City. Her new responsibilities include supervising the operations of the real estate loan department, and processing loan requests for the purchase or construction of residential property.



J.J. KOTT

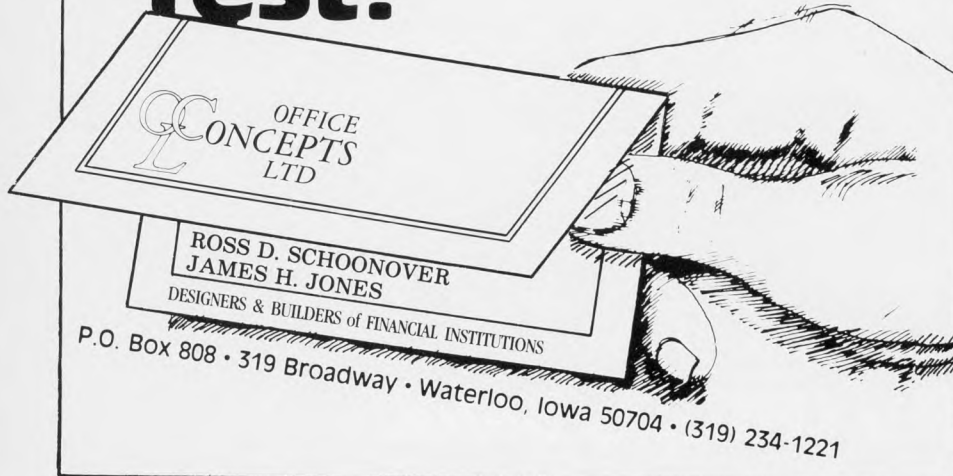
She joined the bank in 1978 and most recently was mortgage loan supervisor.

Joins Hills Bank Staff

Thomas L. Kriz has joined the staff of Hills Bank and Trust Company as a general bank officer, according to John Hughes, president.

He attended the University of Iowa and joined his father at Bob's Radio and TV in 1968.

Committed to making your bank stand apart from the rest!



The problem with most bank insurance is that it wasn't conceived by bankers.

There are farmers' insurance companies and firemen's insurance companies.

Even companies founded by travelers.

But IBIS insurance was designed by Iowa Bankers only for Iowa banks. In fact, IBIS is owned by *all* Iowa banks.

And dollar for dollar, you can't do better.

Whether it's property and casualty insurance or creditor protection. Employee group health, life, or disability.

IBIS professionals tailor each plan to meet your bank's needs.



At rates you don't have to be a banker to appreciate.

Dividends? Last year we paid over \$475,000 to Iowa banks.

For more information, call 1-800-532-1423 toll-free. And find out how much better insurance from bankers can be.



**Iowa Bankers Insurance
& Services, Inc.**



PICTURED at speakers table for Annual Iowa Business Trends meeting were: **Frank L. Nageotte**, pres. & chief oper. off., The Greyhound Corp., Phoenix; **Nicocles L. Michas**, economist, New York; **William J. Ryan**, pres. & ceo, Palmer Communications, Inc., Des Moines; **George Milligan**, pres., and **E.G. "Bud" Precht**, chmn. & ceo, both with Norwest Bank Des Moines; **Iowa Gov. Terry Branstad**; **Carol Brookins**, pres., World Perspectives, Inc., Washington, D.C., and **Harry C. Benson**, Norwest Corporation pres. Region IV, Des Moines.

At Norwest Des Moines Conference —

1985 Viewed with Mixed Trends

By **BEN HALLER, JR.**
Publisher

GROWTH in GNP was forecast to be 3% for 1985, with an inflation rate of 6 to 6½%, by Nicocles L. Michas, economist with Rosenkrantz, Ehrenkrantz, Lyon & Ross, Inc., New York, in his luncheon address to more than 600 business and bank executives attending the 26th Annual Iowa Business Trends Meeting hosted by Norwest Bank Des Moines, N.A.

He said, "Ever since the beginning of the current expansion we felt it would be less than three years and the ensuing recession would be most severe. Adjustments have been severe—witness the midwest ag situation. Disinflation was painful. I continue to believe the international crisis could culminate in the next 12 months. We're now 25 months into recovery. The economy has been stable since July; a recession is not starting, but just a pause until 1985."

He feels the dollar is overvalued by 15% and that as foreign deposits are withdrawn and foreign investments in the U.S. are dumped, they could "pull the rug from under the dollar. The U.S. will turn into a debtor nation my mid '85—a nation hooked on short-term investments. All this will deplete the dollar and cause inflation to move up. As the Fed intervenes, short-term rates will go up. The short-term rates of 8-9% now will peak at about 14% and long-term rates will hold at about 12 to 12½% for a high level."

Mr. Michas said, "We should ex-

pect profits and stocks to drop some, and inflation then to be down." He added that "the five midwest states of Michigan, Wisconsin, Indiana, Illinois and Iowa will suffer from the next depression, due to solid goods manufacturing, but they will benefit from the following rebound." He closed by saying, "I believe this lies 18-24 months in the future."

Guests for the Business Trends Meeting were welcomed by Norwest Des Moines Chairman and CEO E.G. "Bud" Precht, who confirmed his earlier announced intention to retire from those positions and the board at the end of 1984. President George Milligan introduced the three other program speakers and Gov. Terry Branstad, who also addressed luncheon guests briefly.

Gov. Branstad noted that Iowa now has trade offices in Hong Kong and West Germany, as well as sister cities in China and Japan. He pinpointed four business trends of interest to Iowa: 1. Decentralization—smaller facilities in smaller communities, which bodes well for Iowa communities. 2. "As states become more competitive we find other factors such as quality of life, are improving here. Our quality of education traditionally is important and we continue to improve this aspect." 3. Exceedingly rapid change, which Iowa must face up to and stay ahead of; Iowa must help create and control its direction, and adjust to change. 4. Marketing. "We in the ag business recognize this more every day."

Carol Brookins, president of World

Perspectives, Inc., Washington, D.C., discussed "Agriculture." She said "Our ag depression today is bigger than it was in 1934. More than foreclosures, we are seeing consolidations and closings all through the ag industry. It dwarfs the problems of the steel industry and Chrysler. And, we can't blame it all on the Russian embargo and the high dollar value." She said we built a world advantage in trade in the '70s, "but our infrastructure was built on an inflationary trend; then, we shored up prices based on controlled production and then opened up trade. When we lost a portion of our world trade due to the embargo and to competitors, the result became bleak, but now we know—all of us, including Congress—that something has to be done now."

She sees a gradual easing off of government support programs over a three to five year period; broad support for control of acreage by insisting on retirement of marginal land previously hauled into the support price programs; and incorporating as Title I of the new farm bill a major addressing of the export situation. "The key to federal ag policy," Mrs. Brookins stated, "is federal spending. David Stockman is on the warpath about it this year and he has a right to be...The major change in farm bill writing this time is that more people than just the ag industry will be involved in writing it and it won't be just a Farm Bill but a federal Ag Policy."

She concluded by saying, "I think we'll see lower interest rates helping farmers, market development and increased ag export efforts."

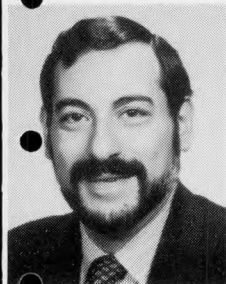
William J. Ryan, president and CEO of Palmer Communications, Inc., Des Moines, owner and opera-

ter of WHO TV and Radio, gave a look at the electronic developments in the Hawkeye state and the great changes taking place in his industry.

Frank L. Nageotte, president and chief operating officer of The Greyhound Corporation, Phoenix, Ariz., told why his company selected Des Moines as the site for its nationwide accounting center, and details of how more than 100 executives involved in the move were brought to Des Moines for direct briefing. Mr. Nageotte told his audience that Greyhound started in Hibbing, Minn., as a small regional passenger provider. The new Des Moines center is now advertising for applicants to fill approximately 700 jobs that are being created at the new accounting center in West Des Moines.

Appointed at Merchants National, Cedar Rapids

Merchants National Bank, Cedar Rapids recently announced the appointment of Pierre J. Herszдорfer as vice president of international banking and Steven Boes as corporate banking officer.



P. HERSZDORFER



S. BOES

Mr. Herszдорfer joins MNB from Des Moines where he most recently operated his own international trade

consulting firm. Prior to that he was vice president and manager of the international banking department at Norwest Bank, Des Moines. He brings 25 years of extensive international banking experience to MNB.

Mr. Boes joins the bank from Banks of Iowa Computer Services Company, where he was business development representative. In his new position he will report to Blake Bales, vice president.

Joins Mason City Agency

Richard K. Maguire has joined Mohawk Advertising in Mason City as account supervisor/financial specialist.



R.K. MAGUIRE

Mr. Maguire joins the agency from Core Group Management, Inc., a marketing/communication services company based in Minneapolis, where he was director of operations. He also was vice president and senior vice president at two major midwest banks.

Peoples Bank Installs POS At Crossroads HyVee Store

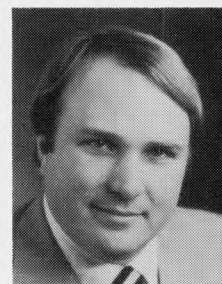
Peoples Bank and Trust of Waterloo has installed POS (Point of Sale) terminals at each of the 15 check-out loans at the HyVee Store, Crossroads Shopping Center. These terminals allow the customer to use their bank debit card to pay for groceries electronically.

Peoples Bank President R.K.

Sverdahl stated that, "with POS transactions as opposed to paper, the bank will have significant savings that can be beneficial to the customers of the bank. There will be no need to file checks, store checks, microfilm or encode."

Elected in Davenport

Perry Hansen has been elected executive vice president of Brenton Bank in Davenport. Mr. Hansen has served as senior vice president since 1980 and will now assume the daily management of the bank. He is a graduate of the University of Iowa.



P. HANSEN

Dean Duben remains as president of the bank but will be assuming additional duties with the bank's parent company, Brenton Banks, Inc. of Des Moines.

Grundy Natl. Appoints One

Grundy National Bank, Grundy Center, has announced the appointment of Kevin Swalley, CPA, to the staff as an assistant vice president. His duties will include financial and tax planning, supervision of the accounting/bookkeeping department and administration of the micro-computer systems and programs.

Mr. Swalley is a graduate of the University of Northern Iowa and has been with several firms in the area since moving to Grundy Center in 1979.

WILLIS ALEXANDER . . .

(Continued from page 24)

the crux of the fight, then added, "When you live in Trenton, Missouri, and can conduct your financial affairs through conglomerates in Chicago or New York—as promotions in my mail remind me almost every week—then interstate banking service has arrived." Noting that customers and legislators don't really care, he asked, "Who cares about interstate banking? No one but bankers...Many of those most fervid in their examinations are themselves associated with chain banking arrangements—arrangements designed to circumvent the very geographic restraints they seek to preserve.

"As a result of these internal struggles, banking's level of performance in shaping public policy over the long term never reaches its potential. Opportunities have been lost. But opportunity can be regained.

Referring to the panel that was to follow him, Willis said, "In just a few minutes (they) will discuss many

questions about banking that remain unanswered now, but will be answered in the coming months and years. Those answers may regain for banking opportunities that have been lost. But those opportunities will be regained only if bankers want to regain them."

It is typical of Willis that in his final address, although few knew that except him, he looked ahead to opportunities and a positive approach, rather than dwelling too long on the past.

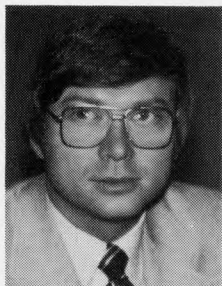
Although he has given no indication of what his business or career plans might be after January 31, Willis does plan to remain in the Washington area with his home in nearby Reston, Va., where he lives with his wife, Sandy, and daughters Meg, 6, and Kay, 5. He has two grown daughters and one son by his first marriage. Also, he will continue his close interest in his family bank in Trenton and is planning to maintain his schedule of once a month trips for board meetings—"that's my trip back to reality," he commented with his dry humor. □

Appointed in Mason City

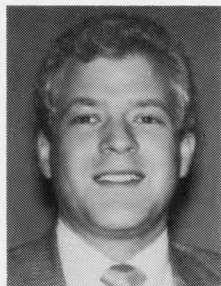
At United Central Bank, Mason City, Robert G. Lorge has been appointed senior vice president; Jim Vigars, vice president, was designated manager of the commercial loan department, and Erick Gandrud was elected commercial loan officer.



R.G. LORGE



J. VIGARS

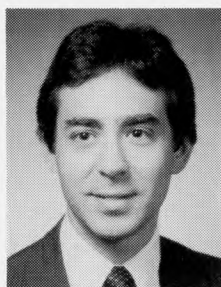


E. GANDRUD

Mr. Lorge has been with UCB more than 23 years in the commercial loan department. Mr. Gandrud has joined UCB in Mason City from UCB in Des Moines, where he has been a credit analyst for the last year and a half. Prior to that he was with Norwest Bank approximately three years.

UMACHA Appoints Director

The board of directors of The Upper Midwest Automated Clearing House Association has announced the appointment of Fred Laing as executive director of the association. Mr. Laing has been active in UMACHA for the past four years as a member of the operations and marketing committees and as chairman of the newly-formed goals committee.



F. LAING

After graduating from Moorhead State College, Mr. Laing joined Norwest Bank, Minneapolis, N.A., where he worked in operations as an analyst and in cash management with primary responsibility for ACH supported products. He was active in marketing ACH services, developing materials and manuals and implementing new ACH products.

New Investment Planning Aid for Community Banks

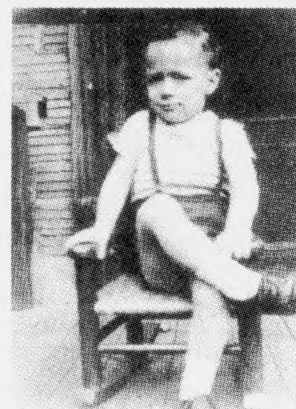
Financial Institutions Investment Services, Inc., a registered investment advisor, has announced a new service designed to help the nation's smaller banks compete with major financial institutions in today's deregulated environment. Focusing on balance-sheet planning, the service is specifically directed towards meeting the smaller bank's funding needs and aggregating many of its investment portfolio activities with those of other client banks so as to achieve economies of scale that are virtually impossible under separate operating conditions.

Located in Merriam, Kans. FIIS is a joint venture of Kemper Financial Services, Inc., the large Chicago asset-management firm, and five Kansas City-area businessmen from the investment and banking communities.

According to Robert C. Colvin, president and chief executive officer of FIIS, who made the announcement, the service is customized to support all aspects of the community bank's investment needs. In addition to asset-and-liability planning, investment planning, portfolio analysis, and portfolio accounting and record keeping, the service includes timely financial, market and economic information, execution services, cash management and custodial services.

Jeffrey L. Noyes, executive vice president and chief operations officer of FIIS, said the system consists of microcomputer programs, a data transmission network and mainframe computer systems that enable client banks to communicate directly with FIIS's Merriam headquarters for order entries, portfolio market information and all other aspects of the service. It also enables client banks to communicate with each other, and FIIS to transmit information to particular customers, or to all customers, as required. In turn, the system allows any client investment department to expand its current capabilities to include the extensive resources available from FIIS. Importantly, he said, since all information must pass through the system, everything concerning client activity is captured to provide an audit trail and documentation for client review.

Happy Birthday!



WHEN Philip J. O'Hara, a.v.p. & a.t.o. at The State Central Bank in Keokuk, had a birthday last month, he got a real surprise from fellow employees when this picture and brief message appeared in the local newspaper! They had obtained this childhood photo of him and placed it in a column headed, "Happiness Ads." Mr. O'Hara is a 10-year veteran with the bank.

Chase Joins Visa Program

Visa International reported last month that Chase Manhattan Bank has joined its international automated teller machine network, adding more than 200 ATMs in the New York City area and pushing the network past the 1,500 machine mark.

The addition of the Chase-owned ATMs puts the Visa network at 1,660 machines operating in the United States, Spain and Australia.

Index of Advertisers

JANUARY, 1985

American National Bank & Trust, St. Paul	41
Banclease, Inc., Omaha	54
Bankers Trust Company, Des Moines	62
Central Bank of Denver	50
Deluxe Check Printers, St. Paul	20-21
Drovers Bank of Chicago	6-7
F&M Marquette National Bank, Minneapolis	36
Federal Home Loan Mortgage Corp.	4-5
First Interstate Bancorp.	38-39
First National Bank, Lincoln	61
First Bank, Minneapolis-St. Paul	3
First National Bank, Omaha	57
First National Bank, Sioux City	67
First Wisconsin National Bank, Milwaukee	12-13
Gross, Kirk Company, Waterloo	65
Iowa Bankers Insurance & Services, Inc.	71
Merchants National Bank, Cedar Rapids	2
Microcom, Inc. Cedar Rapids	10
North Central Companies, St. Paul	75
Norwest Corporation	76
Office Concepts, Ltd., Waterloo	70
Omaha National Bank	8-9
Packers National Bank, Omaha	58
Piper, Jaffray & Hopwood	1
United Central Bank of Des Moines, N.A.	69

Compare For Yourself.

How Does Your Current Credit Insurance Company Measure Up To North Central Life?

What
North Central
Life Offers

What Your
Company
Offers



Fast, Computerized Claim
Settlements



Insurance Plans That Fit Virtually
Every Loan Situation



Special Programs for the Large
Borrower



Nation-wide Toll-free WATS Service



Instant, Over-the-phone Rate
Calculations For Difficult Loans



Instant, Over-the-phone
Underwriting approval for over-limit
coverages



Sales and Insurance Training
Programs Designed for Bankers



Incentive Plans to Help Increase
your Productivity



Professional, Experienced Account
Field Representatives

What
North Central
Life Offers

What Your
Company
Offers



Home Office Customer Service
Department



Simple, Automated Premium
Reporting System



Computer-based Measurement and
Control System to Help You Manage
Your Business



Personalized Training For Your
Support Personnel



Simplified Procedures Manuals For
Administrative People



Complimentary Sales Aids,
Brochures and Point-Of-Purchase
Materials



Free Analysis of Your Current
Insurance Operations



"Captive Company" Capability

**No Company, Anywhere in The United States, Can Give
Your Bank As Much Help in Running A Smooth, Profitable
Credit Insurance Operation As North Central Life**

America's #1 Credit Insurance Service Organization



Protection all ways

North Central Life Insurance Company

NORTH CENTRAL LIFE TOWER, 445 MINNESOTA STREET, BOX 64139, ST. PAUL, MN 55164

In Minnesota call 800-792-1030
All other states 800-328-9117

INSTANT CASH: YOUR CENTER FOR A FULL RANGE OF ELECTRONIC BANKING SERVICES.



Brought to you by Norwest Electronic Delivery Services.

NEDS is part of the Norwest Corporation. You may know us best as the source of Instant Cash and as a founder of CIRRUS.

But NEDS is even more than that. Whether you want one automated teller machine (ATM) or a connection to 5,500, we provide the full range of related services.

We can help you select ATM sites and work with approved ATM vendors. We can help you design an ATM access card. We'll support your own proprietary card, or you can take advantage of the instantly recognized Instant Cash logo. We'll

help you develop marketing strategy and we provide advertising materials.

We also save you the cost of software. Our state of the art technology can authorize, route, settle, and clear transactions that originate anywhere in the country, at any time of day.

Your financial institution gains built-in prestige

with the Instant Cash logo. NEDS interchanges link you to local, regional, and national ATM networks. And we can be your connection to the coast to coast CIRRUS network.

Let Norwest Electronic Delivery Services introduce your bank to the electronic age. Because convenience banking should be convenient for bankers, too. Call us at 1-612-372-7095.



Norwest Electronic Delivery Services

Banking. And a whole lot more.

