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1986 Agricultural Survey

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ABA Corporate Banking Conference Is in San Francisco, March 9-11

FEATURED speakers at the American Bankers Association 1986 National Corporate Banking Conference, March 9-11, in San Francisco include Security Pacific Corporation Chairman Richard J. Flamson, III, General Motors Corporation Chairman Roger B. Smith, and Rutgers University Finance Professor Dr. Paul Nadler.

Conference sessions will focus on improving bank quality in three areas — people, marketing, and products. The meeting, to be held in the Westin St. Francis Hotel, is sponsored by ABA's Commercial Lending Division and Financial Institutions Division.

A keynote address on marketing will be presented by Al Ries, chairman of the New York advertising agency, Trout & Ries, Inc. Mr. Ries is also co-author of *Marketing Warfare*.

Related workshops include "Pricing Strategies for Credit and Non-Credit Products," "Understanding

the Financial Needs of the Services Industry," "Franchise Banking — Institutional or Product" and "Penetrating the Small Business Market."

Dr. Charles Garfield, president of Performance Sciences, Inc., Berkeley, California, will make a luncheon presentation titled "People: Peak Performance in Business." Personnel quality will also be the subject of workshops on "Loan Officer Performance Standards, Productivity and Compensation," and "Are You Ready to be a Powerhouse Lender."

The third key area, products, will be highlighted by Roger Smith's keynote address on the changing structure of the financial services industry. General Motors subsidiaries already offer auto financing and mortgage servicing, and the corporation plans additional forays into the financial services marketplace.

Related workshops at the conference will be: "Product Development — The Future of Correspondent

Banking;" "Corporate Treasurers' Perspectives," "Uses and Abuses of Standby Letters of Credit," and "Technology — Making Sure It Works for You."

Other workshops of special interest to senior commercial lenders and correspondent bankers will be "Trends in Acquisition Financing," "Investment Banking Opportunities for Commercial Banks," and "Interfacing with Bank Regulators."

Co-chairmen of the conference are Donald H. McCree, Jr., chairman of the ABA Commercial Lending Division and sector executive vice president, Manufacturers Hanover Trust Company, New York, and Robert B. Philipp, chairman of the ABA Financial Institutions Division and executive vice president, Security Pacific National Bank, San Francisco.

Seminars Teaching Bank Personnel Protection Begin

A series of seminars titled, "The 1986 National Symposium on The Protection of Banking Personnel" was slated to begin in early Febru-

1-800-621

ary and continue through March 21 at 19 locations in five upper midwest states. The programs are presented by Loss Prevention Services, Inc., Sioux Falls, S.D.

George Kirk of LPS said the one-day seminars will deal with the protection of banking executives and their employees. Topics included in the seminars are: Identifying and Understanding the Threats, How to Minimize Your Risk, How to Avoid a Confrontation, Dealing with Aggressive Persons, Hostage Situations, Executive Protection, Kidnap and Extortion, Establishing a Bank Plan.

Mr. Kirk said LPS more than a year of planning and research was spent by its staff of psychological, law enforcement, banking and security management personnel in devising this one-day seminar. Those involved have such diverse backgrounds as service with the FBI, the U.S. Marshal's protection unit, banking security management, and mental health counseling.

The first five seminars, which began February 5 in Rapid City, were scheduled for South Dakota

and North Dakota through February 14. Iowa seminars commence February 19 in Sioux City and continue the following two days in Fort Dodge and Des Moines.

Consecutive day seminars in Nebraska are February 26, 27 and 28 at Grand Island, Lincoln and Omaha, plus another seminar March 12 in Norfolk.

Minnesota seminars are March 6, 7 and 8 at Marshall, Mankato and St. Cloud, as well as Minneapolis March 14 and Rochester March 19.

The seminars conclude in Iowa at Waterloo March 20 and Davenport March 21.

LPS is located at 705 E. 41st Street, Sioux Falls 57105. Its toll-free number is 1-800-843-1300, extension 850.

United Missouri Bank Promotes Four Officers

United Missouri Bank of Kansas City, N.A. has announced the following officer promotions:

Robert T. Browne to senior vice president in the Operations Department where he is responsible for

overseeing operations for the corporate services division. He joined UMB-KC in 1978. He holds a bachelor's degree from Michigan State University and a master's degree in Business Administration from the University of Wyoming.

Gary Foltz to senior vice president in the operations department where he is responsible for marketing the department's various services. He joined the bank in 1972 upon graduating from Pittsburgh University with a bachelor's degree in Business Administration.

Maggie R. Klein to vice president in the operations department where she manages the bank services division. Ms. Klein was affiliated 10 years with another local bank prior to joining UMB-KC in 1981.

Jack A. Hylton to commercial banking officer in the national commercial banking division, where he is primarily responsible for commercial banking business in Kansas and Nebraska. Mr. Hylton joined United Missouri in 1984 after receiving his bachelor's degree in Business Administration from the University of Kansas.

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College Credits May Be Earned in Some ABA-Developed State Schools

A SIGNIFICANT advance in banker education was made recently when the American Council on Education recommended that colleges and universities grant college credits for many American Bankers Association-developed state association banking school curricula and American Institute of Banking courses.

"The ACE recommendation is an independent stamp of approval for these ABA offerings," stated Richard G. Kelley, chairman of ABA's Education Policy & Development Council. "Bankers will know that they are getting the highest quality education." The American Council on Education is the major national coordinating body for post-secondary educational institutions.

Three requirements must be met before a banker may receive college credit for completing a school or course:

1. The program must have received credit recommendations from ACE. A team of academicians has made credit recommendations for five state banking school curricula developed by ABA and 44 courses offered by the AIB, an educational arm of the ABA.

2. The program must be administered by an institute or organization accredited by the ABA as part of its Professional Development Program, a system designed to coordinate banker education nationwide. For an organization to receive accreditation, it must use school curricula or AIB materials developed for the PDP, submit extensive self-evaluations, and undergo site visits by a team of bankers and educators.

3. The college to which the banker applies must accept the ACE recommendations. Currently, more than 1,800 colleges and universities throughout the country subscribe to the program.

"The ACE report is also an endorsement of ABA's accreditation program," stated Mr. Kelley, who is chairman of the board of Citizens First National Bank of New Jersey, Glen Rock. "By requiring that a school or organization be ABA-accredited before its courses can receive the college credit recommendations, ACE has implied that it be-

lieves the ABA accreditation process truly measures educational standards and assures quality control."

Four state bankers association-sponsored schools have been accredited: the Wisconsin General Banking School and the Wisconsin Commercial Lending School, the Northwest Intermediate Banking School and the Northwest Intermediate Commercial Lending School.

However, a total of 30 schools from 19 state associations are affiliated with the PDP and are eligible for accreditation. Four state banking schools are scheduled for accreditation visits in 1986.

Results of the first accreditation review of AIB chapters are expected early in 1986. Other AIB chapters will be visited later in the year.

Mr. Kelley said ACE college credit recommendations are retroactive to former students if they have completed a course to which ACE has assigned equivalent college credits.

Chicago Fed Announces Building Expansion Plan

The Federal Reserve Bank of Chicago has announced that it will renovate and expand the bank's headquarters at 230 South LaSalle Street to house more than 2,000 employees.

"This project will enable us to remain in the heart of Chicago's financial district and preserve the character of the area," stated Silas Keehn, president of the Chicago Reserve Bank. "These considerations were extremely important to us in our decision to improve our facilities rather than construct a new building."

Keehn noted that a comprehensive review of the bank's operations had shown that a larger, more modern facility will be needed to serve the bank's requirements over the next 25 years.

The original bank building was completed in 1922 and a 16-story addition was constructed in 1957. New construction is slated to begin during the early part of 1986.

When completed four years from

now, the renovation and expansion will provide the bank with over 700,000 square feet of space compared to the 500,000 square feet now in use. An addition will rise 14 stories over the northwest corner of the building, which occupies the block bounded by LaSalle, Jackson, Wells and Quincy Streets. Expansion of the current facilities will provide for consolidation of staff now located in various buildings in the South Loop.

It was also announced that Robert J. Day, chairman of the board, chief executive officer, and president of USG Corporation, has been designated chairman of the board of the Federal Reserve Bank of Chicago for 1986, and Marcus Alexis, dean of the College of Business at the University of Illinois at Chicago, has been named deputy chairman of the board.

Mr. Day—who was named to the Chicago Fed board in 1984 and served as deputy chairman in 1985—will replace out-going chairman Stanton R. Cook, president and chief executive officer of The Tribune Company, who served the maximum of two full three-year terms on the Reserve Bank board.

Mr. Keehn also recently announced that Thomas G. Ciesielski, previously head of the bank's Milwaukee office, has been named vice president and transferred to Chicago where he is responsible for human resource services which includes the staffing, payroll, training and development, compensation, and benefits areas.

Charles M. Lund has been promoted to assistant vice president and will assume Mr. Ciesielski's previous position as head of the Milwaukee office.

Graduate School of Banking Announces Staff Promotions

Janet A. Primus has been named director-operations and Ann M. Kleist has been named assistant director-operations of the Graduate School of Banking at the University of Wisconsin-Madison.

Ms. Primus has served as registrar and secretary to the board of this industry-sponsored advanced bank management program since 1971. Ms. Kleist joined the Graduate School of Banking in 1975 as secretary to the administrator and was later appointed administrative assistant.

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Five State Associations Get BancInsure Going

After lining up reinsurers in the foreign market, five state banker associations from Minnesota, North Dakota, South Dakota, Wisconsin and Oklahoma began official operation January 1 of BancInsure, Inc., headquartered in Oklahoma City. The firm was organized to serve banks in those five states and was ready to start up early last year; however, the initial date had to be delayed until reinsurance contracts were in hand from the Lloyd's of London market, Copenhagen Reinsurance Company of America, and other foreign and domestic market underwriters.

Robert E. Harris, executive vice president of the Oklahoma Bankers Association, said the new firm will have a significant impact on Oklahoma banks by offering them needed insurance at drastically lower overhead costs. Many banks have been unable to find the kind of coverage needed, or have been assessed greatly increased premiums over previous charges for the same coverage.

The initial policies offered, he said, hopefully will be expanded soon to include D&O insurance. He noted that of the 2,217 banks in the five states, 808, or 36%, have signed letters of intent representing approximately \$15 million in premiums. Galen Pate, president of the Minnesota Bankers Association, and president of Signal Hills State Bank in West St. Paul, Minn., is chairman of the five-state group. C.L. Frates & Co., the general agency in Oklahoma City that helped work out details of the new company, will be manager of BancInsure.

New Free Agricultural Software Catalog

Harris Technical Systems, Lincoln, Nebr., the largest supplier of microcomputer software for agriculture, has released a new 40-page catalog of products for farmers and ranchers. Forty-four different software tools are included, ranging in price from \$29.95 to \$1495.00.

A unique selector guide is displayed with each product in the catalog to show buyers the computer experience needed to use the soft-

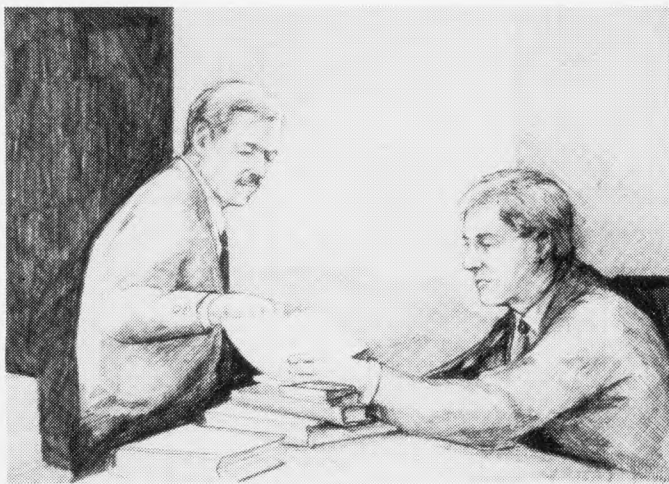
ware (for many products, no experience is required) and, for management products, a "Management Horsepower Range" graph clearly indicates the power range over which the software can be operated.

In addition to HTS's own product line of AgDisk software, the catalog includes products from: Red Wing; AgriData Network; Doane's; Financial Systems, Inc.; Monogram; Blue Chip; and DLM. Plus the catalog introduces a new product line under the title "AgDisk Professional."

Toll-free technical support from the experienced Harris staff is included with the price of each product. Specially priced "Trial Size" demonstration versions for fourteen of the more expensive products are available so potentially interested users can "try before they buy."

Bob Harris, Chairman of HTS, commented: "This is truly a unique catalog. It brings together the best in agricultural software and makes it available all in one spot. Few rural computer dealers are able to stock substantial farm or ranch software, so it is difficult for interested on-farm buyers to find a place to "browse."

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Commerce Banks Tests New Quotation Systems

Commerce Bank of Kansas City, Mo., has added SPMI from Security Pacific Market Information Inc. to its information service for the 28 sales representatives and traders on its bond trading floor.

Stephen Freidell, vice president in the bond division, said the bank installed two independent work stations and eight slave monitors to "test the new technology" and to determine how responsive SPMI would be to the bank's needs. The trading division deals with institutions making multi-million dollar trades, as well as individuals with investments from \$5,000 to \$100,000.

Mr. Freidell said one of the major problems experienced by traders is system downtime. A factor in the decision to test SPMI was its claim to greater uptime via small-dish satellite transmission, stated to be averaging nearly 24 hours per day of uptime. An SPMI spokesman said that "because SPMI's satellite service doesn't rely on telephone lines in most cases, the service is 25% to 40% less expensive than its leading competitor."

ABA Conference to Focus on

Commercial Real Estate

The commercial real estate market will receive special attention at the American Bankers Association's 1986 National Conference on Real Estate Finance, April 6-9 at the Fairmont Hotel in Dallas.

Michael R. Buchanan is chairman of the ABA Housing and Real Estate Finance Division and executive vice president of Citizens and Southern National Bank, Atlanta.

Conference concurrent sessions on the subject will include "Originating and Managing a Construction Loan Portfolio," "Emerging Theories of Lender Liability in Construction Lending" and "Construction Lending Opportunities for Community Banks." In addition, a banking regulator's perspective will be provided by Jonathan K. Fiechter, director, Economic and Policy Analysis Division, Office of the Comptroller of the Currency.

Although the commercial market is getting added attention at ABA's real estate conference this year, the residential real estate market is not being ignored, according to Mr. Buchanan. Concurrent sessions on this subject include "Your First Sale in the Secondary Market," "Accessing the Private Secondary Mortgage Market," and "Successful Management and Disposition of Residential REO (real estate owned).

MasterCard, Visa Sales Set Midwest 1985 Records

The dollar volume of MasterCard and Visa combined sales increased to \$4,214,905,000 in the midwest in 1985, up 11% over 1984. It was a new all-time record for any 12-month period in the area.

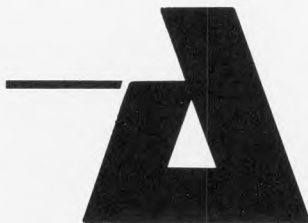
For December's Christmas period, bank charge card sales in the same area increased 12% to \$508,636,000. It was the biggest single month in the region's history.

This record-setting midwest business volume for the two national bank charge cards was reported by Credit Systems Incorporated, the bank card operating center for the five-state area of Missouri, Kansas, Illinois, Iowa and Kentucky.

The average transaction in 1985 was \$46.04, compared to \$43.47 in 1984.

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We Have A Great Future Ahead Of

A black and white photograph of four riders on horseback, silhouetted against a vast, open landscape. The riders are positioned in a line across the middle ground, moving away from the viewer. The terrain is flat and grassy, with distant hills or mountains visible on the horizon. The sky is filled with dramatic, dark clouds, suggesting a sunset or sunrise. The overall mood is one of exploration and forward movement.

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A man with a mustache, wearing a dark suit, white shirt, and striped tie, stands with his arms crossed in a field. In the background, a person in a long dress and hat stands with their back to the camera, looking out over a vast landscape under a sunset sky. The overall tone is professional and evocative.

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Burroughs Upgrades Micro, Offers One New Version

Burroughs Corporation is offering banks and other business firms an upgraded B25 microcomputer system, as well as its more recently developed B28, an enhanced version (but not replacing the B25).

The minimum capacity of the B25 hard disk drive has been doubled to 20 mb. Also available is a 37 mb hard disk. This allows the B25 total disk capacity to improve to 130 mb, using three 37 mb drives and one 20 mb drive. This combination of four disk drives is a big jump over the

previous disk limit utilizing four of the 10 mb drives.

The B25 accommodates to many popular software packages. One is Burroughs' word processing package (OW25) that is offered in two levels to address specific occupational needs of both managerial (Professional Word Processing) and clerical personnel (Secretarial Word Processing). This easy-to-use software utilizes a special word processing keyboard which can be used for all B25 applications. This keyboard offers numerous added functions.

The B25's spreadsheet program is Enhanced Multiplan that can be

used for forecasting, planning, modeling and tracking information, as well as resolving numerous "what if" situations. There is also a seamless interface to the excellent Business Graphics Package. The B25 also offers a relational database management system called R:base, developed by Microrim, Inc. With R:base, a relational data base, typically associated with manframes, is now available at the micro level.

Most important to the B25 is its "clustering" capability. One unit with the hard disk can support up to five additional work stations, thus allowing sharing of programs, files and hard disk. Any printer in this configuration, may be shared by another workstation. For more than six stations clustered, the XE520 will allow up to 64 workstations to be clustered.

Burroughs new B28 offers the range between the clustering of six B25 stations and the 64 offered through the XE520. The B28 is configured with 1 mb of memory and expandable to 4 mb. It is up to two times faster on CPU intensive tasks and even greater in performing floating point calculations. Cluster station capacity of the B28 also extends to 12 (master plus 11 slaves), as opposed to the B25's six in a cluster.

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Ag Credit Software

Agri Systems Development, Inc., of Okemos, Mich., announces the release of ACE - The Ag Credit Expert. The ASDI software development firm staff is comprised of experienced ag bankers, ag economic researchers, computer programmers, electrical engineers, and agribusiness managers.

The ACE credit analysis system is designed specifically for agricultural lenders and credit consultants working with ag borrowers. ACE focuses on the essential elements of ag credit analysis—accurate financial reporting, debt servicing capacity, working capital management, and collateral analysis for evaluation of the bank's security position.

ACE is modularly designed with the modules fully integrated to provide a flexible, systematic, and comprehensive approach to complete credit analyses for each farm loan ranging from a historical analysis of a borrower's financial performance

and position to projections of the borrower's likely financial performance under alternative price, yield, and expense assumptions.

Features of ACE include:

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- Preformatted graphics analysis
- User-specified formats for initial balance sheet and income statement data entry
- Standardized commodity budgets for enterprise analysis and cash flow planning
- Integrated collateral analysis for liquid assets, intermediate assets and fixed assets
- A full range of analysis report options
- Availability of a complete ag credit analysis training manual which parallels the software system

Maynard I. Wishner Retires at Heller

Maynard I. Wishner, 62, president of Heller Financial, Inc., and vice chairman of parent Heller International Corporation, retired from active service on February 1, but will continue as a consultant for the Chicago-based financial services firm.

After serving as outside counsel for six years to Heller, Mr. Wishner joined the firm in 1962 as a vice president. He was elected president in 1973 after serving in several other executive positions.

Since Heller's acquisition by The Fuji Bank, Limited, in 1984, Mr. Wishner has been a part of the management team that has restructured the company, developed new operating strategies, and established new ventures to leverage Heller's strengths and improve its financial performance.

Kuthy Elected CSBS V.P.

Eugene W. Kuthy, commissioner of financial institutions of Michigan since April, 1983, has been elected vice president of the Conference of

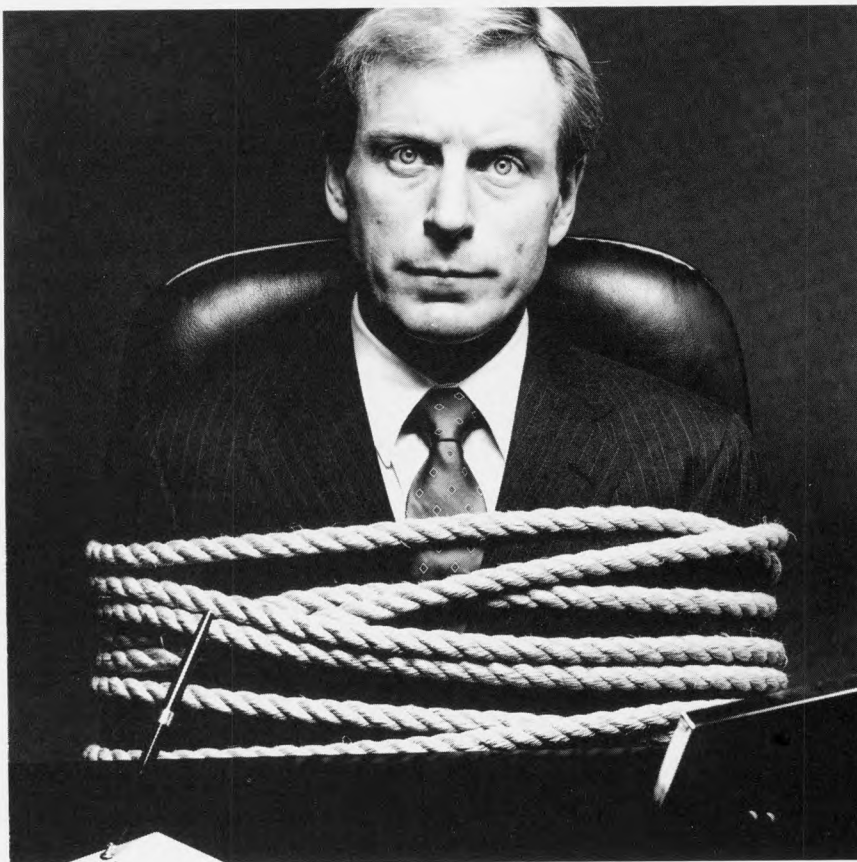
State Bank Supervisors. His election is to fill the four-month unexpired portion of the 1985-86 Conference year, and he is expected to stand for re-election to a full one-year term at the CSBS Annual Convention in Colonial Williamsburg in April.

John Clark Leaves ABA

John S. Clark, director of the corporate financial services group of the American Bankers Association, announced January 1 his resigna-

tion from that key post to pursue new career opportunities. Mr. Clark joined the ABA staff 17 years ago and has worked closely with hundreds of ABA volunteer workers involved in such important work as the Ag Bankers, Bank Investments, CFO, Commercial Lending, Corporate Planning, Correspondent Banking and International Banking Divisions. Mr. Clark will continue to assist ABA on a consulting basis through the transition period of selecting a new director for the corporate financial services group.

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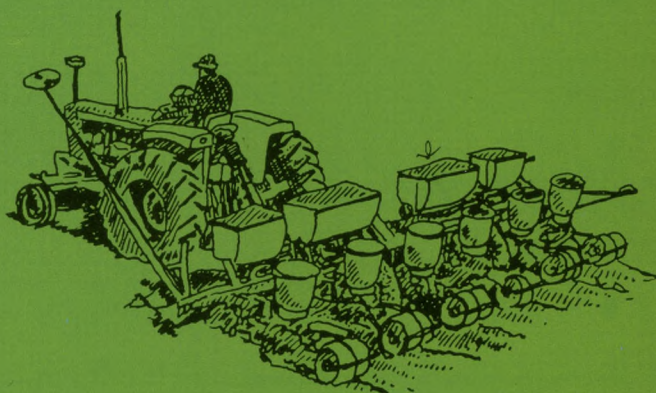
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1986 Agricultural Survey



A NORTHWESTERN BANKER Survey

Editor's Note: The following survey was made just before the announced potential cuts in the United States Department of Agriculture budget that could be imposed by the Gramm-Rudman-Hollings Act, which dictates across-the-board cuts if the Congress and President cannot agree on specific cuts needed to reduce the budget by the \$11.7 billion for 1986 dictated by the law. Since no agreement has been reached, the Office of Management of the Budget (OMB) and the Congressional Budget Office (CBO) jointly published

details of the mandatory cuts that would reduce military spending by 4.9% and domestic programs by 22%. Of the latter amount, ag spending would take the brunt with a 22% reduction, or \$1.3 billion between March 1 and September 30, when the current fiscal year ends. Further cuts are mandated for the ensuing fiscal years until the budget is balanced.

Any effect of the Gramm-Rudman-Hollings Act is not reflected in the following survey.

MORE than 80% of the rural banks across 10 upper midwest states plan this year to do as much or more ag lending in 1986 as in previous years. A comparable number will accept new customers, while 60% of them say the problems of the Farm Credit System and Production Credit Associations have created more loan activity at their banks. In addition, 95% of these banks say they have ample funds to meet the loan needs of their present and potential ag customers.

These and other findings are revealed in the "1986 Agricultural Survey" conducted in January by the NORTHWESTERN BANKER. A total of 500 questionnaires were sent

to a cross-section of community bankers and 333, or 67%, of them were returned in time to be included in this exclusive report. Three nationally prominent ag bankers helped draft the survey questionnaire, designed to elicit basic information about the plans of ag bankers as they begin working with farm customers for spring planting.

Details of the survey follow:

Chart No. 1

Q. Do you plan to handle your share of the ag lending in your area this year?

Respondents were asked to check "Same - More - Less - Don't know yet" and Chart No. 1 shows the re-

CHART NO. 1

Q. Do you plan to handle your share of the ag lending in your area this year?

Same = 67%

More = 15.9%

Less = 11.7%

Don't Know Yet = 5.4%

Q. Will you accept any new customers?

Yes = 81.7%

No = 9%

No Answer = 9.3%

sults. Of the 333 who replied, 67% said "Same," while 15.9% said "More," for a total of 82.9%. Of the 39 bankers (11.7%) who said they would do "Less" ag lending this year, 11 of them are from Iowa. The next highest concentration was eight in Minnesota who said "Less," and the other 20 were scattered among the remaining eight states. Iowa also had the lowest percentage of bankers who said they would do the "Same" amount of lending—63.5%, and 12.7% in the Hawkeye state responded "More." By contrast, Nebraska and North Dakota respondents stated 70.3% and 72.4% respectively for "Same," and 21.9% and 17.2% for "More." This made their totals 92.2% and 89.6% respectively.

A second part of Question 1 was, "Will you accept any new customers?" The response, as noted in **Chart No. 1** was 81.7% "Yes," and the balance almost evenly divided between "No" and "No Answer"—9% and 9.3%.

Bankers also were asked to list briefly the conditions under which they would accept new customers. By far the most frequently mentioned qualification was that the loan "must cash flow!" A few other selected comments were these:

"May consider with FmHA guarantee."

"Excellent Credit" or "top line."
"50% equity."

"Low debt/asset ratio, solid cash flow projections and be willing to offer very adequate collateral."

"Realistic assumptions, well-secured with good equity, crop insurance."

"Operating funds requirement must not represent any carryover from previous years. F/S must look good and cash flow figures must be able to show ability to pay off all accounts with a normal crop."

"Proven money maker, good character, collateral, low risk."

"Positive cash flow, debt/assets of 50% or less, gross receipts in excess of \$200,000, three years history of net income with at least one year of profitability."

Other comment continued in the same vein—"above average, gilt edged, gold plated, top rating, financially sound," etc.

Chart No. 2

Q. Have FCS and PCA problems

CHART NO. 2

Q. Have FCS and PCA problems created more loan activity for your bank?

Yes = 59.6%

No = 25.3%

Not Yet Known = 15.1%

created more loan activity in your bank?

As seen in **Chart No. 2**, approximately 60% of the banks responded "Yes," while 25.3% said "No" and 15.1% said "Not yet known." It was interesting to note that three of the four states served by the Farm Credit Banks of Omaha, which have experienced millions of dollars in losses and delinquent loans, had high "Yes" responses. Those three, in the order of their "Yes" response, were: Wyoming—80%, Iowa—65.1%, Nebraska—64.1%. The fourth state in that district is South Dakota, which reports a "Yes" vote in this survey of 59.4%. Outside the Omaha district, North Dakota came in with 69% "Yes," while Wisconsin and Illinois gave the lowest reports with 37.5% and 51.9% "Yes" respectively.

In their comments, many bankers told about acquiring high quality real estate loans from FLB customers and, frequently, they told of rejecting many PCA customers as "not bankable." In between those ranges, the comments reflected careful selection of loans from among the many FLB and PCA customers who are turning—and often *returning*—to local commercial banks for help. One reason mentioned often in the comments is the fear by farm customers that they will have their FLB stock frozen or lost if they stay in the system. Here is a sampling of comment by states and bank deposit size:

Iowa

\$11 million: Getting customers back that are financially secure and will cash flow.

\$11.5 million: High quality real estate loan volume up.

\$27 million: Have refinanced many FLB real estate loans. Have taken on some top quality accounts.

\$50 million: Have had several requests to refinance PCA. Most lines were average but not disastrous; however, we couldn't devote the

time to their loans so we declined.

Nebraska

\$48 million: We have picked up some real good accounts. Good management people, good cash flows and good net worths.

\$14 million: We've gotten some loans back that switched 3-4 years ago.

\$170 million: We have taken on about 20% of the PCA applications received.

\$16.7 million: Very few meet our credit standards.

Illinois

\$26 million: We have had a few inquiries and have loaned to a few farmers who have been with the FLB and PCA. We expect to get some good business as our rates drop below the PCA and FLB. Our best rate of 11.5% is in effect for our top customers.

\$326 million: The FCS has not suffered to any great degree in our area as of yet.

\$40 million: Primarily this has been well-to-do farmers refinancing their FLB loans. They are afraid their stock will be frozen if they don't get out.

Wisconsin

\$40 million: We have refinanced a number of rural housing loans. We have had a number of farm loan refinance requests. We did not make any.

Minnesota

\$10 million: We are turning down all new credit applications until bank regulatory agencies change their attitude.

\$22 million: Turn them down this year. Took them last year and wish we did not.

\$39 million: Have had some applications from financially strong PCA borrowers. There appears to be growing distrust of PCAs and a desire to detach from any association with government agency/quasi agency. Same applies to FLB.

\$29 million: We are getting the cream of the PCA accounts.

South Dakota

\$12 million: Minimal activity. Our bank has picked up a very small number of PCA borrowers who were in good shape.

Size unlisted: Consolidation caused our PCA branch office to close. It is 55 miles to the nearest office now and some customers are not willing to drive that far.

- **"We will make some farm R/E loans on a 20-year amortized basis with either a three-year or five-year maturity basis."**

North Dakota

● \$75 million: We have been refinancing good quality real estate loans. We have also hired a PCA loan officer who has brought good loan volume with him.

● \$49 million: Customers solicited away from us by PCA now appear less loyal than before.

Montana

● \$40 million: Local PCA closed and 200 customers seeking new lenders. Banks have taken 25%; reorganized PCA took maybe 50%, and 25% are still looking.

Chart No. 3

Q. Does your bank have ample funds for ag loans?

Chart No. 3 shows that 93.7% of responding banks say they have ample funds for ag lending at this time. In only three states did that figure dip below 90%—South Dakota responded 81.2% and 12.5% replied "No." In Wisconsin it was 81.3% "Yes," and the other 18.7% all answered "Don't Know Yet." The "Yes" vote in Montana was 85.8% with 7% "No" and 7% "Don't Know Yet."

CHART NO. 3

Q. Does your bank have ample funds for ag loans?

Yes = 93.7%

No = 3%

Don't Know = 3.3%

Typical of the comments offered in replies to this question was the one from an Iowa banker with a \$46 million deposit bank: "We have seen an above average paydown this year because so many farmers are selling corn and soybeans."

Several bankers also mentioned the use of MABSCO and MASI funds as being helpful. Many merely commented "loaded and looking for good quality loans." The lowest L/D

ratio cited to indicate the need for good loans to use up the bank's ample supply of money was 23%!

Chart No. 4

Q. Will you make any operating loans without being fully collateralized?

The responses to this question were rather surprising, for the "No" vote, as shown in Chart No. 4, was only 72.1%, while 27.9% said "Yes" to the question. However, some of the "No" voters offered comments to explain their choice. In most

CHART NO. 4

Q. Will you make any operating loans without being fully collateralized?

Yes = 27.9%

No = 72.1%

cases, that "Yes" vote indicated such choice would be made only on a selective basis "to a few prime borrowers," and several explained that this would include "long-time borrowers with strong net worth, profit history, and sound record as farmers."

The two states with the highest "Yes" votes were Illinois (50%) and Montana (57.1%). In North Dakota, 44.8% said "Yes," while in Iowa the "Yes" vote was 32.8%.

Chart No. 5

Q. Are your loans for livestock purchases at this time, compared to a year ago: Higher - Lower - Same?

Chart No. 5 displays the results, with responses almost equal between "Lower" and "Same," while the "Higher" votes netted only 8%. There were 2.5% who did not answer the question. Here is sample comment:

CHART NO. 5

Q. How are your loans for livestock purposes at this time compared to a year ago?

Higher = 8%

Lower = 45.8%

Same = 43.7%

No Answer = 2.5%

Nebraska

\$15.6 million: Not enough feed. More selling than buying.

\$170 million: Fewer cattle feeding loans. One large feedlot has cut back and some smaller feeders are feeding less cattle. Loans associated with swine remain about the same.

\$83 million: Cow calf people have not made money. Most cattle feeders who have used marketing tools—i.e., contracts, hedging or options—have managed to stay in the black. Others have gone by the wayside or are struggling.

Illinois

\$180 million: Feeders have purchased more livestock because of better feed supply.

Minnesota

\$20 million: Very few feeder cattle loans as compared to a year ago.

\$23 million: There hasn't been too much money made in cattle for the past ??? years, so the cattle loan demand is down. In hogs we have seen an increase in the last year because of quicker turnover and those who have the facilities have just increased about 10% this past year.

South Dakota

\$50 million: No feed because of drought last summer.

Montana

\$14 million: Due again to the drought, over 50% of livestock has been sold off.

\$16 million: Area cattle numbers are very low at present.

\$50 million: High feed costs; low or no profit margin.

CHART NO. 6

Q. Have you, or will you, become involved in long-term real estate lending?

Yes = 40.2%

No = 26.6%

Doubtful = 20.1%

Don't Know = 5.3%

No Answer = 7.8%

Five states of Ia., Neb., N.D., Wis., S.D., ranged from 59% down to 46.2% and averaged 50.2%

Five states of Minn., Mont., S.D., Wyo., Colo., ranged from 31.9% down to 20% and averaged 25.7%.

Chart No. 6

Q. Have you, or will you, become involved in long-term ag real estate lending?

Chart No. 6 shows that all respondents together average 40% "Yes," with one-fourth "No" and another 20% "Doubtful." However, there was a distinct divergence among the 10 states so separate calculations were made for better comparisons as shown in the second part of the chart. As noted, one group of five states averaged a 50.2% "Yes" answer, while the second group of five states averaged only 25.7%.

A follow-up question asked, "What are your customers' alternatives?" A sampling of comment from that question follows:

\$51 million: Our customers can go to FHA, Federal Land Bank (which is not making loans) or the only other place for long-term real estate mortgages—insurance companies.

\$66 million: New loans require 40% down on current value. On refinancing loans we will loan 75%.

\$50 million: FLB, insurance companies, contract purchases.

\$20 million: We will make some farm r/e loans on a 20-year amortized basis with either a three-year or five-year maturity basis. Federal Land Bank is still making some loans. We understand Travelers Insurance Co. is considering some farm loan applications. Iowa's moratorium has caused some insurance companies to wait until that expires.

A number of brief comments mentioned that if and when such loans were made they must cash-flow, be

regular customers, and terms would be for 60% of appraised value and rate re-negotiable.

Chart No. 7

Q. Do you plan to use FmHA programs for your farm customers this year?

Nearly three-fourths of the respondents—72.8%—said "Yes" to this question; 8.4% said "No"; 11.8% said "Don't Know Yet" and 7% did not respond to the question. These details are in Chart No. 7.

A follow-up question asked "what percent of your ag loans will you try to get into these FmHA programs?" The answers were so varied that tabulation would not reflect a meaningful response. However, except for an occasional reply that had "50%" or perhaps "100%," practically all other replies ranged downward from 25%. Comment follows:

Wyoming

\$140 million: Guaranteed loans used on customers with minimal equity.

\$62 million: Since the State of Wyoming has a buy-back program at a subsidized interest rate, we plan to try and work at least our heavy loans through the guaranteed program as the FmHA will accept this as an interest rate write-down.

Montana

\$28 million: Subordinated collateral (lending) is like having a security blanket. It makes you feel good until you find out there was no crop or the livestock has all died.

\$60 million: Difficult to place loans with FmHA.

\$58 million: Sending virtually all customers for emergency loans due to '85 drought disaster declaration. Farmer can receive 4% loan.

North Dakota

\$17 million: Experience from 1985 regarding these programs is poor. Several farmers need the help but FmHA officials seem intent upon eliminating some eligible farmers. Don't blame them as some farmers are only stalling for more time when what they need is not time but better prices, management and luck.

South Dakota

\$17 million: We intend to use FmHA programs with as many customers as possible. Any marginal credit or potentially marginal credit will be referred to FmHA.

\$35 million: Only have a very few on hand. Lousy setup from FmHA.

\$19 million: Currently have 45%

of ag portfolio guaranteed. Am excited about flexibility of the new FmHA LOC.

Minnesota

\$90 million: Time is the problem. It takes six months to get answers from the local FmHA office and that is not the intent of the guarantee programs.

\$21 million: Don't know how cooperative the FmHA will be.

\$23 million: FmHA has the best program out now this year. They have a guaranteed operating line of credit for three years. You only pay a one-time charge for the guarantee fee and the line of credit is guaranteed for three years. They have a lot of good programs for your farm customers now.

\$39 million: Our FmHA office is like a Maginot line—they act as if they were lending their own personal funds. It is not functioning as intended and, therefore, is of marginal assistance to our borrowers and us.

CHART NO. 7

Q. Do you plan to use FmHA programs for your farm customers this year?

Yes = 72.8%

No = 8.4%

Don't Know = 11.8%

No Answer = 7%

\$10 million: We find it impossible to deal with local FmHA office; therefore, the only way we will deal with them is to send farmers there to get direct loans. A comment by one of the women in the FmHA office was, "You need me worse than I need to talk to you." I do not need to try to do business with people with attitudes like that.

Illinois

\$24 million: At this point the guaranteed loan doesn't sound like it is in the banker's best interest to be involved.

Nebraska

\$39 million: Very little success getting loans from FmHA.

\$31 million: Have achieved 25% guaranteed loans of our total already.

\$75 million: Guarantee loans only prevent examiner criticism. If farm-

ers are in that condition they are most likely near insolvent.

\$24 million: Trying to set up some lines on term basis over seven years to 20 years when real estate equity warrants.

\$38 million: FmHA has been beneficial in lowering bank risk.

\$46 million: Still too much paperwork, inconsistencies and lack of program knowledge by personnel in FmHA.

\$48 million: Feel that if you guarantee the loan that the repayment, if need be, will be questionable. Settling with the FmHA is a nightmare.

\$14 million: Will make as many of them as we can. We get *no* help from them in our area.

Iowa

\$65 million: Problem credits do not have enough available collateral to qualify for guaranteed loans.

\$80 million: Slow processing problems.

\$45 million: Will continue to request direct loans which pay us off, and restructure customer's debts totally with FmHA. Received over \$1 million in payoffs in 1985.

\$14 million: To date we seem to have had trouble getting guaranteed loans approved for varied reasons... will keep trying.

\$48 million: We work closely with FmHA. The Farm Depression is too big for anyone except federal government to handle.

\$27 million: FmHA very difficult to work with in this area. They try to find reasons not to make a loan, rather than a reason to make one.

\$16 million: The need is for insured loans for a reduction in debt service rather than guarantees.

Chart No. 8

Q. Do you feel that FmHA in your area is being responsive to farmers and/or bankers needs at this time?

Just over half, or 55.1% of the responding bankers said "Yes" to this question. A disturbing 30.3% said "No," while the remainder either said "Don't Know" or didn't answer the question.

Some of the comment follows:

Iowa

\$51 million: I feel FmHA cannot make a decision and cannot get their work done in a timely manner. We have had customers messed around by FmHA for up to one year and then they still did not get a solid

"We have a very good FmHA office. The only problem they have is adequate time to get the work completed."

answer. I feel there is much room for improvement in the FmHA system.

\$55 million: They were very responsive in 1985. Our county director left December '85, so don't know what direction it will go in 1986.

\$58 million: Not in the past. New personnel at FmHA have made some improvement.

\$60 million: We have a very good FmHA office. The only problem they have is adequate time to get the volume of work completed.

\$80 million: Overloaded for staff available.

CHART NO. 8

Q. Do you feel that FmHA in your area is being responsive to farmers and/or bankers needs at this time?

Yes = 55.1%

No = 30.3%

Don't Know = 7.7%

\$30 million: FmHA supervisors in Pocahontas and Humboldt counties have been cooperative and responsive.

\$30 million: Two counties good, one county bad.

\$14 million: Our FmHA office has worked closely with us and seems to do as agreed.

\$20 million: Really tough to get approvals and we are a Certified Lender.

\$16 million: FmHA has generally done an excellent job. The unfortunate fact is that some operations cannot be salvaged.

Nebraska

\$50 million: The local office tends to be very slow in their processing of applications and also leaves us with the impression that they don't follow through on their policies, causing sometimes long and unnecessary delays.

\$50 million: They are trying, but their work load is too heavy to do a good job. Guaranteed loans are not the answer.

\$25 million: This (positive) change took place in about October, 1985, when a new office was created and giving us a new FmHA representative.

\$75 million: They cannot take on additional work load without at least doubling their already inadequate staffs.

\$87 million: Positive and cooperative in media comments, but not in reality in dealings with farmers and/or bankers.

Illinois

Size unlisted: Extremely hard to get cooperation from area FmHA. They don't seem responsive to the guarantee program. Speculate the county supervisors had a hand in *not* granting us approved lender status.

\$180 million: We have had no success whatsoever in getting cooperation from the FmHA.

\$26 million: Too much politics. They are not interested in any marginal customers. Government programs never seem to reach our part of the state.

\$40 million: Sometimes they have been disappointing, but part of the problem lies with their being understaffed to meet all the loan demand.

Wisconsin

\$31 million: They are responsive, but when it takes four months or *longer*, what help is it?

Minnesota

\$27 million: FmHA is short on manpower to handle the load.

\$90 million: We have had requests for guarantees in since April '85 and they just sit on them—no action.

\$50 million: I think it is improving the past two months.

\$42 million: One detrimental factor is that our county office is saying that anyone with off-farm income in excess of \$20,000 does not qualify as a farmer.

\$39 million: Many FmHA offices are doing a great job. We happen to have one that is failing to respond to the spirit and letter of their charge.

\$10 million: Our FmHA office is very difficult to work with. They will

not schedule an appointment without a waiting period of six to ten weeks. They will not give out forms for farmers to complete, and offer no help as to what might be available or how to go about applying for various loan programs that are available.

South Dakota

\$50 million: Bad situation in South Dakota. Not carrying out federal intentions.

\$17 million: As a general rule, FmHA is being responsive. We work with four different FmHA offices and there seems to be no real consistency among the different offices.

\$28 million: Our office hasn't been as liberal as others in state, but rightfully so. I feel other offices should tighten up.

\$17 million: FmHA is responding to lifetime FmHA borrowers who haven't a prayer of making it, while first-time borrowers fail "to get to first base."

\$12 million: Due to our responsiveness in the past, FmHA is saddled with non-performing loans hampering its ability to be effective now. More debt is not the answer to agriculture's problems!!

North Dakota

\$30 million: They approach all difficulties with us with the idea the bank wants to get bailed out. They are *not* doing the farm customers justice.

\$43 million: FmHA personnel in our area do an excellent job and are very cooperative.

Montana

\$60 million: Certain programs offer some help. FmHA personnel unable to process applications promptly due to heavy demand and lack of staff. I feel they require excessive collateral under current conditions.

Chart No. 9

Q. How do you think the new Farm Bill program will affect your ag portfolio?

The Farm Bill had been enacted only a short time before this survey was sent to bankers; consequently, they did not have a great deal of time to study its ramifications, although many of its features had been thoroughly discussed and aired in recent months. **Chart No. 9** shows that 11.5% feel the Bill will

strengthen their ag portfolio, while 20.7% feel it will weaken it, 31.6% figure it will have no effect on them, 28.5% said they don't know yet and 7.7% did not answer this question. Selected comments follow:

CHART NO. 9

Q. How do you think the new Farm Bill program will affect your ag portfolio?

Strengthen It = 11.5%

Weaken It = 20.7%

Have No Effect = 31.6%

Don't Know Yet = 28.5%

No Answer = 7.7%

Iowa

\$80 million: Income will be less going in at signup. Market strength must come about for many borrowing farmers.

\$38 million: It will maintain income in the first two years, but the built-in price decrease will weaken the farm economy over the longer term.

\$48 million: I look for Gramm-Rudman to reduce the farm bill payments to the farmer. Where it curtails production and encourages soil conservation it will help us all.

Nebraska

\$48 million: The loan prices make it very difficult to cash flow, and deficiency drags to April, thus making tough decisions that are delayed too long into spring. Plus 20% set-aside is a real problem.

\$38 million: Lower loan rate, lower target price—assuming Gramm-Rudman takes effect, less production, cheap corn, cheap hogs, etc., etc.

\$83 million: Too much discretion in the hands of Secretary of Agriculture.

\$10 million: I believe the new Farm Bill over time will force our farm customers to become better marketers. As always, the better managed units will do better.

Illinois

\$26 million: It will strengthen our ag loan portfolio mainly because the uncertainty is no longer an issue. I am going to be a bit more optimistic and say that farm land prices will begin to turn around sometime in 1986 as I am beginning to get some inquiries from outside monied people wanting to buy bargain farm

land. I do not encourage outside ownership and would much rather have the land owned locally.

\$16 million: If the dairy whole herd buyout materializes attractively at all, we will definitely benefit. We are in a large dairy area.

Wisconsin

\$31 million: The Farm Bill is a disaster. When you lower the income of those farmers who want to farm to pay for those that are either city farmers or retiring, you put a big strain on your good farmers.

Minnesota

\$39 million: I would think that the result will be negative relative to the old program simply because supports will be lower. Long-term benefits are unlikely to be felt for at least several years.

\$90 million: Net cash flows will still be too low. The weeding out process will take another year at least. The farm economy in our area is traumatic now—it will get worse during 1986.

South Dakota

\$19 million: It will lower market prices in 1986. Much uncertainty about subsequent years.

\$35 million: Farm program is written to help Republican President, not farmers. No damn good for agriculture and will have same effect on the country, but Republicans won't focus on this!!

North Dakota

\$49 million: Cash flow will probably decrease with lower loan rates pulling cash prices lower, thus returning less on bushels produced outside the program or over proven yields.

\$50 million: The lower prices for grain, as well as dairy supports, will make it increasingly difficult to cash flow.

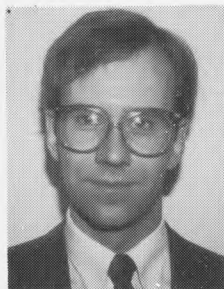
\$43 million: Advance payments made by CCC greatly reduce bank loan volume in terms of operating advances.

Summary

It appears from this survey that midwest ag banks have ample money to loan to farm customers. Their problem will be in determining which ones can be financed with reasonable prospects of paying back the depositors' money being loaned out—an age-old problem—but one made more critical by events of the past two years that have placed farmers financial problems directly inside the community banks' loan portfolios. □

● Citing "soft," hidden costs:

South Dakota banks choose off-premise service center



Written especially for
THE NORTHWESTERN BANKER
JAMES B. HEINE, C.P.A.
Controller
Farmers State Bank, Irene, S.D.
Hurley State Bank, Hurley, S.D.

● **ABOUT THE AUTHOR**—James B. Heine, C.P.A., joined Billion Companies in Sioux Falls as controller in 1984. The holding company owns Farmers State Bank in Irene and Hurley State Bank, as well as other interests. Mr. Heine was graduated from the University of Minnesota with a Master's degree in Business Taxation, and from Mount Marty College with a Business degree. He was employed with McGladrey, Hendrickson & Pullen certified public accounting firm from 1978 to 1984.

● **O**UR two banks (with a Farmers State office in Viborg) range in size up to \$30 million in assets, they're within 25 miles of each other, have two to three officers each, and staffs of up to 11 people. Our activity is above the national average per employee and in the process of considering whether to establish an in-house computer system or to utilize a service center we wanted to maintain that activity efficiency per employee. We didn't want to add to our overhead, but we needed operational improvements. With this background and these needs, we considered our alternatives—in-house or service center.

● **First**, we studied three popular, good in-house systems, examining both their hardware and software. Then, we looked at batch type processing via courier, with the option of being on-line with one of two service centers we were considering.

● **Second**, we studied the monetary standpoint. I ran through my figures, taking into consideration all factors, such as film, microfiche — a lot of small items one tends to overlook, and there are a lot of them.

● We looked at purchasing in-house equipment and figured a five-to-six year life until being outdated on hardware. We also figured software would be continuously updated. Then, we figured we would need another employee.

● Also, we weighted in a minimal factor to account for the computer going down at critical times and the cost of high-priced help to stick around until it is corrected.

● All of these comparisons washed out to be a "push" on the cost status.

● **Third**, we studied the "soft" costs. For example, my time worrying about getting the 1099s run off December 31, when the computer goes down, then it's *my* problem. We have three banks, so I can imagine adding in the complexities of problems interconnected among them. Also, we would need to provide backup if some-

one is sick or quits.

We looked at the farm economy and decided our presidents and loan officers needed time to be inspecting farms and projecting cash flows, not fixing a down computer.

I call these "soft" costs.

Finally, we made our decision. We recognized there is lots of flexibility with in-house processing and we were impressed, but we decided for our circumstances and objectives to go with a service center. Then, our next step was to examine a courier versus an on-line system. The on-line vendor was willing to work with us and was most responsive. If bank customers need something — they develop it.

Based on this research, we selected American Data Technology. Some of the positive factors resulting from this choice were these:

- Our proof operation consists of entering into a video proofing mode, with all keystrokes captured.

- We were below average on personnel for banks our size and wondered if we could maintain this. But, not only have we *not* added personnel, our staffs are going home at 4:03 p.m. when we lock the door! It used to be 4:30 p.m., or later, before they left.

- Since ADT sends our Fed letter every night we decided to let them do all our printing and deliver it by courier in the evening, getting same day credit. The courier is cheaper than mail most times, but we *can* use the mail when we want to.

- Our vendor costs versus buying machines. If we expended \$150,000 for a complete system of hardware and software, we would have taken that out of our investment portfolio. At the time of our decision we could buy a five-year T-Note at 11.5%, a realistic investment. This came out just about even with our vendor costs, but it *eliminated* the "soft" costs.

Summarizing, we list these as the advantages of working with ADT:

1. Ease of conversion, rather than doing it ourselves.
2. Consolidated reporting and resultant controls.
3. Ability to run three banks with no proof machines.
4. Avoiding the "soft" costs of in-house processing that absorb money and time.
5. Fewer capital dollars expended.
6. Focuses capital toward earning assets, not depreciation on equipment.
7. Less fear of technological obsolescence.
8. Less management distraction and headache in "leanly" staffed banks.
9. "Marketability" of individual banks if one becomes an acquisition candidate.

We think these benefits clearly illustrate why we decided that going on-line with a service vendor like ADT meets the overall objectives of our three community banks. □

After 5 years' experience
with in-house computer—

'Staff would revolt if we went off-premise now!'

A NORTHWESTERN BANKER interview with
RICHARD HECKMAN, Vice President
State Bank of Cairo, Nebr.

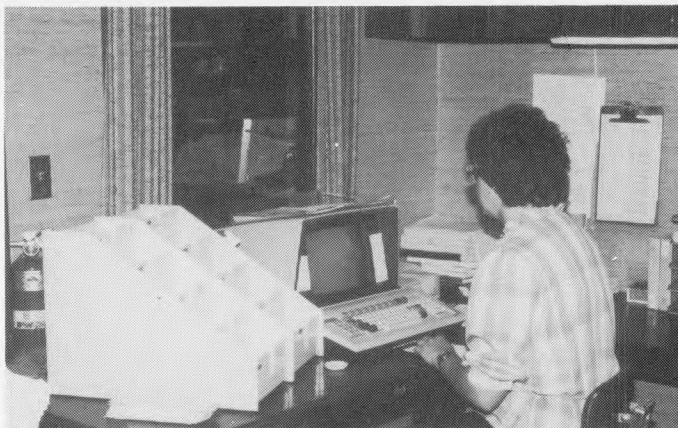
Editor's Note: The State Bank of Cairo, Nebr., will soon celebrate the fifth anniversary of installing its own in-house computer system. The NORTHWESTERN BANKER featured this central Nebraska community bank in a February, 1981, article shortly after the installation of its new system. The article focused on the reasons why the \$24 million bank selected in-house computerization. Both banking and computer hardware/software technology have changed dramatically since the State Bank of Cairo ordered its system from Modern Banking Systems, Inc. of Omaha in late 1980. To determine how State Bank officials feel about this in-house system five years later, we asked Richard Heckman, vice president of the bank, who authored the article five years ago, to give our readers an up-date on the system. His comments follow in response to several questions:

Q. How has the earlier decision benefited your bank after five years?

A. We made the decision to install our own system primarily because of cost considerations in 1980. To have all our work processed by our correspondent processor was getting very expensive. We selected Modern Banking Systems, Inc. of Omaha because we felt they really understood the community bank marketplace better than the other vendors. In addition, they had the best on-line CIF based system available at an affordable cost for a bank our size.

Q. Has the decision to install an in-house system proven to be a good investment?

A. Yes, it has. We have grown from \$24 million to \$33 million since the installation of our MBS System. Today, we operate with fewer employees in our bookkeeping department than in 1981. The system has accommodated our growth without adding to our overhead. The bookkeeping staff, which runs the computer, is finished with all updates, reports and notices



"TODAY, we operate with fewer employees in our bookkeeping department than in 1981. The system has accommodated our growth without adding to our overhead."

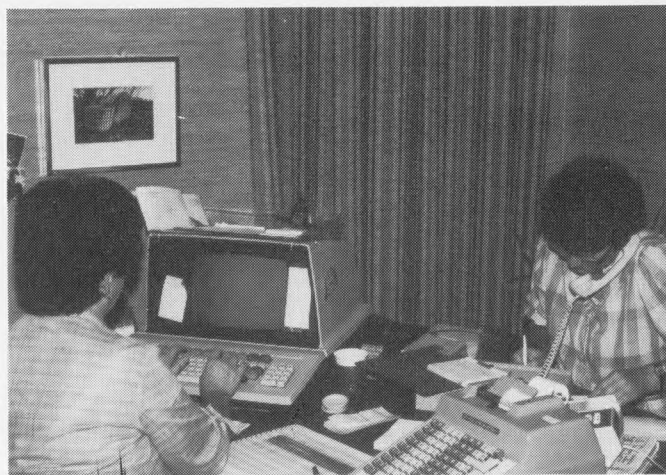
by 4:30 p.m. From a cost vs. investment standpoint, we are paying approximately half of what it would cost if our work was done by a service bureau, and this takes into consideration depreciation costs, opportunity, maintenance and personnel costs. The system paid for itself in about 36 months, but even more important is that we have been able to utilize a completely integrated CIF System to manage more effectively our customer and account data.

Q. Has your software kept pace with the many changes in the industry?

A. Modern Banking Systems, Inc. has been particularly good at keeping our software up-to-date. We have never missed a regulatory change deadline. Enhancements to our software have been as regular as clockwork. Each new software release has made our job easier and it always includes additional features important to our bank. The monthly MBS software maintenance fee takes care of the question of updates.

Q. How about computer downtime during the past five years — has it been a problem?

A. Naturally, any system downtime is at the least a nuisance and at worst can be disastrous. I am thankful to say in our case it has never been anything more than a minor disruption. The Texas Instruments hardware we utilize has been exceptional. We probably average fewer than three service calls per year! Also, since MBS provides the hardware maintenance service, we never worry about possible finger-pointing between organizations. This single-vendor responsibility eliminates many potential service problems. Let me also say that part of the reason for the success of our in-house operation is that everyone in the bank has great trust in the MBS System. There isn't any suspicion or apprehension about system results because of chronic hardware or software problems. We are confident in the accuracy and integrity of system data.



STATE Bank of Cairo, a town of 750 population 13 miles northwest of Grand Island, was founded in 1910 and now has \$33 million in deposits. **RIGHT**—Using this MBS equipment, Mr. Heckman says, "the system paid for itself in about 36 months." The bank's off-premise processing costs had moved from \$7,000 to \$28,000 per year in the six years just prior to purchasing the on-premise system.

Q. Has an in-house system improved or hindered your competitive position?

A. There are several advantages to having an in-house system in addressing competitive positioning. These advantages focus on three key areas of our bank — marketing, customer service and pricing. The MBS System provides a completely integrated CIF System architecture which allows us to visualize the full banking relationships our customers have with the State Bank of Cairo. This enables us to chart more effectively our product and service strategies. The in-house system allows our officers and staff instant, easy access to account data to provide better service and counseling for our customers. Finally, we can establish or modify our product and service pricing quickly, depending on competitive situations or internal decisions. The ability to get at marketing and product information any time we want or need it is extremely valuable. This "Ad Hoc" independence to managing and utilizing information is as important to us as the efficiency of the system's bookkeeping functions.

Q. Do you plan on staying in-house and with the same vendor?

A. Even if I wanted to, and I don't, I believe the staff would revolt if we were to go back off-premise. Our bank and our employees like the independence of processing our own data. We are in control and we do not have to rely on another organization to do our work. Also, we are not subject to the same cost variables, such as periodic rate increases and volume increases that most off-premise users are. Finally, we have the ability to assert our bank's personality and independence through our in-house system. We couldn't do that tied to an outside data processor.

As for any thoughts about a vendor change, no, we are very happy with Modern Banking Systems. They have provided an excellent, cost/effective product since 1981 and they have backed their product with quality support. Naturally, I do try to keep current with the technology and software changes that have taken place since we installed our system; however, I have not found other bank computer systems that in 1985 are better for the community bank. I think this speaks for itself so far as MBS's continuing ability to supply us with a state-of-the-art system. □

PENTABS Two Software Packages Geared to Banks

PENTABS has announced two software packages geared to the banking industry: The 401(k)/Defined Contribution Pension Plan Administration System and the Pension Plan Trust Accounting System. The software packages are designed to help banks and savings and loans institutions attract stable retirement plan deposits and produce fee income for plan administration and trust accounting duties. Both systems are high-quality menu-driven software packages designed specifically to run on IBM and IBM com-

patible microcomputers.

The 401(k)/Defined Contribution System is a simple to use software package that prepares pension plan proposals and performs a full range of administration tasks for popular 401(k), Profit Sharing, Money Purchase, Keogh and Target Benefit Plans. All federal regulations are built into the system, and qualification tests are automatically performed. And, the System allows complete flexibility in choosing investment options, insurance products or other financial products.

Clear professional reports such as the Age and Service Analysis, Cen-

sus Reports, Participant Summary Report, Summary of Accounts, Contribution Analysis, Participant Certificates, Qualification Analysis are generated at the touch of a button.

The Pension Plan Trust Accounting package is a complete record-keeping system for retirement pension trusts, other types of trusts or collections of assets. Designed specifically for the non-accountant, the system handles all transactions easily and prepares a full range of reports and financial statements including a reproduction of the 5500-C facsimiles now mandatory for Keogh plans.



B.F. BACKLUND



C.T. DOYLE



T.H. OLSON



C.L. VANARSDALE



K.A. GUENTHER

IBAA To Meet in Las Vegas, March 9-13

MEMBERS of the Independent Bankers Association of America, their spouses and families will gather in Las Vegas, Nevada, March 9-13 for the 56th annual IBAA Convention. Presiding will be IBAA President B.F. Backlund, president, Bartonville Bank, Bartonville, Ill. Officers serving with him the past year are: President-Elect—Charles T. Doyle, CEO, Gulf National Bank, Texas City, Tex.; 2nd V.P.—Thomas H. Olson, president, Lisco State Bank, Lisco, Neb., and Treas.—Charles L. VanArsdale, president, Bank of Castile, Castile, N.Y. The IBAA executive director is Kenneth A. Guenther, who heads the Washington headquarters staff.

Important highlights of the convention are:

General Session Speakers:

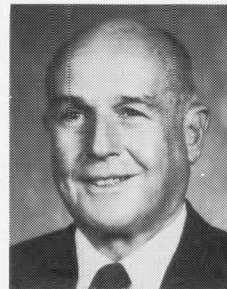
- Robert L. Clarke, U.S. Comptroller
- L. William Seidman, FDIC Chairman
- John Sloan, National Federation of Independent Business
- Edward R. Madigan, U.S. Representative (R-IL)
- Charles Russell, president of VISA
- Paul Nadler, Rutgers University
- Hugh Downs, ABC commentator

Entertainment:

- Les Brown and his Band of Renown
- Helen Reddy, vocalist
- Mark Russell, political satirist
- Steve Garvey, baseball star

Special Sessions for Spouses:

- "Coping in Today's World"
- "Time To Get Your Act Together"
- "Financial Self Defense"
- "The Life of a Las Vegas Showgirl"



L.W. SEIDMAN



J. SLOAN



E.R. MADIGAN



C. RUSSELL



P. NADLER



H. DOWNS

LeFebure and Docutel End ATM Marketing Agreement

LeFebure Corporation, Cedar Rapids, Ia., announces the termination of its agreement with Docutel/Olivetti Corporation to market automated teller machines produced by the Dallas-based firm.

The announcement by Mylo D. Schultz, vice president of LeFebure sales and marketing, is a prelude to LeFebure's introduction of its own entry into the ATM market scheduled for the first quarter of 1986.

Mr. Schultz emphasized that LeFebure recent decision to build an ATM merely underscores a continuing commitment to provide financial

institutions with the most complete line of quality products in the world.

LeFebure maintains manufacturing facilities at Anamosa and Marion, Ia., and Farmington, Mo., in addition to the Cedar Rapids plant. It operates out of 31 regional and branch offices in major cities, with hundreds of sales and service points throughout the U.S.

NABW Introduces New Financial Woman Magazine

A new magazine has been introduced which covers the latest issues and trends in financial services from the unique perspective of women

and men executives who manage this newly competitive industry.

Executive Financial Woman is a 40-page bimonthly magazine, published by the National Association of Bank Women. Using interviews with industry leaders and analysts and industry trends and statistics, *Executive Financial Woman* paints an up-to-date picture of the financial services and the role of women in banks, credit unions, thrifts, insurance, investments, financial planning securities, government and corporate finance.

The magazine boasts original research, lively writing, exclusive interviews, four-color covers and strong, attractive graphics.

Illinois

G.T. Andes, pres., Belleville
W.J. Hocter, exec. v.p., Chicago



Pres. Named in Rockford

Carl J. Dargene, chairman of Amerock Corporation and senior vice president of Anchor Hocking Corporation, will resign those posts on February 25, 1986 to become president and CEO of AMCORE Financial, Inc., (AFI) Rockford-based multi-bank holding company, according to Roger Reno, chairman of AMCORE.



C. DARGENE

R. RENO

Mr. Dargene will fill the position vacated by the death of David W. Knapp, formerly AMCORE Financial, Inc. President.

Mr. Dargene has served on the AFI board and executive committee since 1982 and, prior to that, on the board of the American National Bank & Trust Co. (American National Bank and Trust Co. and Illinois National Bank and Trust Co., both of Rockford, merged in 1985 to become AMCORE Bank N.A., Rockford.)

Mr. Dargene was associated with Amerock and Anchor Hocking Corporation for more than 34 years.

In addition to the Dargene appointment, Mr. Reno announced that he will assume the chairmanship of AMCORE Bank N.A., Rockford, a post also held by Mr. Knapp prior to his death.

Mr. Reno also announced that J. Peter Jeffrey, president and CEO of AMCORE Bank N.A., Rockford has been named a director of AMCORE Financial Inc. AMCORE Bank, Rockford, is the lead bank in the holding company's financial group

which also includes Colonial Bank of Rockford; Carpentersville Savings Bank; First National Bank, Pekin; First National Bank, Woodstock; and Americorp Life Insurance Company, Phoenix, Arizona.

AMCORE Financial, Inc. assets at year-end 1985 are estimated at approximately \$900,000,000.

Six Promoted in Aurora

Aurora National Bank, Aurora, has announced several promotions: Ralph L. Egeland to chairman; David G. Stangland to executive vice president; Connie J. Graham to assistant vice president; Diane M. Beukelman to marketing officer; Karen L. Meyer to assistant cashier, and Stephen F. Scott to assistant cashier.

Mr. Egeland, president of Aurora National Bank, has been given the additional title of chairman while he continues as chief executive officer of the bank and its parent, Aurora Bancshares Corporation. He began his career at the bank in 1971 following employment at two other financial institutions.

Mr. Stangland began his banking career thirteen years ago at Aurora National, as a trust administrator in the trust department. After three and one-half years he transferred to the commercial loan division and most recently served as senior vice president.

Ms. Graham has been in the bank's installment loan area for fifteen years. Most recently she served as assistant cashier. As assistant vice president in consumer lending, she is responsible for consumer loans, the student loan program and real estate loans.

Ms. Beukelman joined the marketing department of Aurora National two years ago and most recently served as marketing coordinator.

Ms. Meyer joined the bank seven

years ago as a teller and has been an investment advisor since 1979.

Mr. Scott joined the bank in 1980 and has been in the consumer loan area for a year.

Three Promoted in Evanston

First Illinois Bank of Evanston has announced the promotion of Bruce N. Duff to executive vice president and trust officer; Howard I. Kain to executive vice president, and Lorenzo Dawson to senior vice president and cashier.

Mr. Duff heads the financial and trust services division at all the First Illinois Banks. He holds his law degree from the University of Michigan and a BS in accounting from the University of Illinois.

Mr. Kain is responsible for administration and operations of the bank. He holds a BA and an MBA from the University of Chicago.

Mr. Dawson is responsible for retail banking and bank operations. He holds a BA from Alabama A&M.

Awarded in Des Plaines

Des Plaines National Bank was the recipient of two "Excellence in Business" awards presented recently by the Des Plaines Economic Development Commission.

The award was created by the Commission to identify the contributions local businesses have made to the city of Des Plaines from August 1, 1984 through July 31, 1985.

A panel of independent judges from the business press, academia and state government judged Des Plaines companies in two categories: economic enhancement and community enhancement. Des Plaines National Bank was recognized for its achievements in the community enhancement category and was unanimously selected from among the other businesses receiving awards as the most outstanding business in both categories.

The award for economic enhancement was based upon a company's growth in assets and revenue, and the ways in which that growth has benefited the city of Des Plaines or the company's employees. In addition to its 16 percent growth in assets and a 33.8 percent increase in net revenue, Des Plaines National Bank increased its net investment in its physical plant by 31.5 percent.

Celebration in Wheeling



MAIN Bank's Wheeling office recently celebrated the first anniversary of Cole-Taylor's purchase of the Wheeling Trust & Savings Bank. Sheila Schultz, mayor of Wheeling, was on hand with Sidney J. Taylor, chairman and CEO, and Irwin H. Cole, deputy chairman of the Cole Taylor Financial Group and William Olsen, president and CEO of Main Bank to officially celebrate the event. Clowns also handed out balloons and colorful visors and an assortment of treats to the bank's customers and friends.

Seven Appointed in Skokie

Skokie Trust & Savings Bank recently appointed Phyllis Cramer to assistant vice president of operations; Waltraud Goetz to assistant vice president of consumer lending; Leslie Packer to assistant vice president of operations; Carole Botoske to assistant personal banking manager; Patricia LeBeau to assistant operations manager; Roberta Lustig to assistant cashier, and Jacqueline McIntosh to personal loan officer.

Ms. Cramer has been an employee of Skokie Trust for eight years.

Ms. Goetz has been employed at the bank for 18 years.

Ms. Packer has been with the bank for five years and will also manage bookkeeping, customer service, and the safe deposit area.

Banks Participate in Program for Seniors

It was recently announced by Cole-Taylor Financial Group, Inc. that all five banks would be senior citizen sign-up locations for the "Silver Pages Directory."

The Cole-Taylor Bank's eight locations are Main Bank in Wheeling, Main Bank in Chicago, Drivers Bank of Chicago, Skokie Trust &

Savings Bank, Ford City Bank & Trust Co. in Chicago and in Burbank, and Bank of Yorktown in Lombard.

The directory, produced by Southwestern Bell, provides listings of businesses which offer a special service or discount to senior citizens. U.S. citizens age 60 or older are eligible to receive the directories and a card which entitles them to the discounts.

The Cole-Taylor Banks are among the listings in the directory. Eligible seniors will receive their first set of checks free when they open a checking account at any Cole-Taylor bank. Each bank also offers other special services to senior citizens.

Over 2,000 people have already signed up for the directory and card through the Cole-Taylor banks.

Poster Offered in Lombard

The Bank of Yorktown, Lombard, offered a poster at a reduced price to its customers and friends as a holiday value. The poster was entitled "The Chicago Bears at Soldier Field" and was done in watercolor by Brad Bennett. Mr. Bennett is the only living American artist with the distinction of having each of his suites of prints registered with the Library of Congress as works of history. The bank offered the prints for sale both framed and unframed at a reduced price as a gift to the community.



First Colonial Bankshares Corporation, Chicago, announced that it has agreed to purchase the \$42 mil-

lion asset Community Bank and Trust Company of Edgewater, located at 5340 N. Clark Street, Chicago, and its parent, Edgewater Capital Corporation.

According to First Colonial Bankshares Chairman and Chief Executive Officer **C. Paul Johnson**, the acquisition gives the bank group further access to another important Chicago business and retail market.

Terms of the agreement were not disclosed and the purchase is subject to regulatory approval. This acquisition will bring First Colonial Bankshares' total assets to more than \$600 million.

* * *

Robert M. Wrobel, senior vice president, has been elected executive vice president of Amalgamated Trust & Savings Bank.

In addition, **Gerald Steinmetz** was elected a senior accountant and investment officer and **Vicky Brock Benda** was named installment loan officer and assistant manager of the installment loan department.

Mr. Wrobel, a graduate of Northwestern University, joined Amalgamated in 1972, was named vice president in 1979, and elected senior vice president in 1984. He also serves on the boards of Oak Brook Bank and First National Bank of Oak Brook.

* * *

Stephen L. Rulo has recently been elected vice president in Michigan Avenue National Bank's commercial loan department. Mr. Rulo previously served as vice president, commercial lending at Harris Bank Hinsdale, which he joined in 1976.

* * *

John W. Gabbert, president and CEO of the First National Bank & Trust Company in La Porte, Indiana, and **Max J. Naylor**, owner and operator of a grain and livestock farm in Jefferson, Iowa, have been elected to the board of the Federal Reserve Bank of Chicago.

Both Mr. Gabbert and Mr. Naylor were elected to serve three-year terms on the board by Federal Reserve System member banks located in the Chicago Fed's service area—the seventh district.

CHICAGO NEWS . . .

(Turn to page 37, please)

Wisconsin

D. Treptow, pres., Brown Deer
B.K. Koontz, exec. dir., Madison



Acquisition by First Interstate Signed

In a joint announcement recently, David C. Beck, president and chief executive officer of First Interstate Corporation of Wisconsin, Sheboygan, and Thomas R. Van Wyk, president and chief executive officer of Outagamie Bank Shares, Inc., Appleton, reported that a definitive agreement calling for the acquisition of Outagamie by First Interstate has been signed. The affiliation is subject to approvals by Outagamie Bank Shares, Inc. shareholders and certain regulatory approvals.

As of September 30, 1985, Outagamie had total assets of \$109,393,925.

First Interstate, a multi-bank holding company, operates out of 20 locations and had total assets of \$1,145,000,000 as of September 30, 1985.

Under the proposed merger each share of Outagamie stock would be exchanged for two shares of First Interstate. The affiliation is expected to be completed by mid-1986.

Hearing on Interstate Bkg.

A bill to allow interstate ownership of depository financial institutions within an eight state region has been the subject of a hearing in Milwaukee on December 18 and one held January 6 in Blair. Questions were raised during those hearings on the inevitability of interstate banking, effect on capital availability in the state and the future of the small independent bank.

The regional interstate bill being considered for Wisconsin allows reciprocal ownership between eight states: Wisconsin, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri and Ohio. Four of these, Illinois, Indiana, Michigan and Ohio, have already passed enabling legislation. Nation-wide, thirty-three

states have already enacted or are actively considering similar laws allowing interstate ownership of financial institutions.

According to Dean Treptow, WBA president and president of the Brown Deer Bank, the Wisconsin Bankers Association is supporting this regional compact to allow Wisconsin banks to enter interstate banking in a controlled environment. The WBA represents 568 commercial banks and is headquartered in Madison. "The states we are proposing to join in reciprocal agreements have common economic denominators, and mutual governmental pacts, such as the Council of Great Lakes Governors," he said.

"This legislation is needed to bring Wisconsin financial institutions into the 21st Century," Mr. Treptow added.

An additional hearing on the interstate bill was to be scheduled for Madison in late January or February.

Five Promoted in Sheboygan

First Interstate Corporation of Wisconsin, Sheboygan, has announced the promotions of five officers. Frederick M. Bowes II, Ralph T. Fredrickson and Thomas N. Schueller have been elected regional senior vice presidents of the newly formed corporate central commercial credit group. Curtis J. Scheel has been elected regional assistant vice president of the credit group. Edward A. Morgan has been promoted to senior vice president and controller.

Mr. Bowes joined the bank holding company in 1977 and works out of First Interstate's Sheboygan and Shorewood offices, structuring large credits throughout the state. He also serves as a liaison with the corporation's Green Bay office and manages First Interstate Equip-

ment Finance of Wisconsin, Inc.

Mr. Fredrickson has responsibility for corporate credit quality, reporting and analysis, loan operations and microcomputer-based management information systems. He joined First Interstate Bank of Wisconsin in Sheboygan two years ago as vice president in the loan administration area. Prior to that he was an assistant vice president and correspondent banking officer at First Wisconsin National Bank, Milwaukee.

Mr. Schueller is an account officer for major corporate customers. He joined First Interstate Bank of Wisconsin in Sheboygan in 1970, as a management trainee, and later served as a mortgage loan officer and commercial banking officer there. In 1977 he was promoted to vice president in the business banking area.

Mr. Scheel has responsibility for corporate banking customers in Sheboygan County and other areas of Wisconsin. He joined First Interstate Bank of Wisconsin last year, as a commercial banking officer. Prior to that he worked as a commercial banking officer at First Wisconsin National Bank, Milwaukee.

Mr. Morgan supervises internal and external financial reporting, tax planning and compliance and budgeting. He joined the bank holding company eight years ago as senior auditor, and became vice president and controller in 1979. Prior to that he was employed at Ernst and Whinney, a public accounting firm in Milwaukee.

Promoted in Menomonee Falls

F&M Financial Services Corporation, Menomonee Falls, recently announced the promotions of Gordon C. Mueller and Lawrence K. Elton to executive vice presidents of the corporation. They will head newly created divisions in the corporation.

Mr. Mueller currently is vice president, chief financial officer of F&M Financial Services Corporation, a member of the corporation's board of directors and senior vice president of F&M Bank, Menomonee Falls. He joined F&M Bank in 1974.

Mr. Elton currently is, and will remain, executive vice president, chief operating officer of F&M Bank,

WISCONSIN NEWS . . .

(Turn to page 41, please)

Minnesota

C.D. Kurtz, pres., Norwood
T.L. Jeffers, exec. v.p., Minneapolis



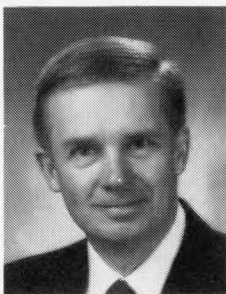
Norwest Worthington Elects President

At Norwest Bank Worthington, Gary M. Hoffman has been elected president and chief executive officer. He succeeds John Troth, who will remain as chairman until his scheduled retirement in October 1986. Mr. Troth began his banking career in 1952 at what is now the Mitchell branch of Norwest Bank South Dakota. He was president of the bank since 1970.

Mr. Hoffman previously served as vice president/commercial loans of Norwest Bank Marshall. He began his banking career there in 1972.

Pres. Elected in Winona

R.P. Roehl has been elected president of the Merchants National Bank of Winona. Mr. Roehl, formerly senior vice president, succeeds Gordon Espy, who retired from the position Dec. 31, 1985. Mr. Roehl joined the bank in 1967 from the National City Bank of Cleveland.



R.P. ROEHL

In addition, T.R. (Bob) Hennessy was elected chairman of the board. According to Mr. Roehl, he will facilitate strategic planning and research opportunities for the newly formed bank holding company. Mr. Espy was elected as chairman emeritus and senior vice president.

Pres. Elected in Virginia

Norwest Bank Mesabi, Virginia, has elected Roger W. Suihkonen president and chief executive officer. He succeeds Norman H. LaPole, who has left the bank to pursue other interests. Mr. Suihkonen

joined the bank in 1974 and worked initially in the installment loan and real estate lending divisions. He was successively promoted to real estate mortgage officer, installment loan officer and assistant vice president prior to being named vice president in the commercial lending division in 1983.

Pres. Elected in Rochester

Norwest Bank Rochester has elected Lance D. Davenport president and chief executive officer. He joins the bank from Norwest Bank LaCrosse, Wisconsin, where he was regional vice president and commercial business manager for Norwest's Region III. He succeeds Edgar M. Morsman Jr., who has been appointed chief lending officer for Norwest's Twin Cities Corporate Banking Group, based in Minneapolis.

Mr. Morsman has headed the Rochester bank since 1982. In 1984 he was elected to the additional posts of chairman and chief executive officer of Norwest Bank Dodge Center. Prior to coming to Rochester, he was vice president and head of loan administration for Norwest Corporation.

Mr. Davenport began his banking career at Norwest Bank Des Moines in 1969. He was senior vice president and commercial banking manager there when he transferred in 1981 to Norwest Bank LaCrosse as senior vice president and a director. He assumed his most recent post in 1983.

St. Bk. of Frost Reopens As Frost State Bank

On Dec. 20 the State Bank of Frost, Frost, was closed by Minnesota Deputy Commissioner of Commerce James G. Miller, and the FDIC was named receiver. The FDIC then approved the assumption of the deposit liabilities of the

bank by Frost State Bank, a newly-chartered state nonmember bank. The failed bank reopened as Frost State Bank on Dec. 23 and its depositors automatically became depositors of the assuming bank, subject to approval by the appropriate court.

Mr. Miller said, "The bank failed because of an unusually high percentage of poor quality loans and the recent loss of depositor confidence. The seriousness of the problem was compounded by withdrawals in excess of \$1 million by depositors over the past 30 days."

Frost State Bank will assume about \$6.2 million in 1,300 deposit accounts and has agreed to pay the FDIC a purchase premium of \$34,101. It also will purchase certain of the failed bank's loans and other assets for \$5 million. To facilitate the transaction, the FDIC will advance \$1.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$2.3 million. Total assets of the failed bank amounted to \$7.3 million.

The FDIC Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. It made such a finding in this case because of the premium paid by First State Bank.

The FDIC expects to recover a substantial portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of shareholders of the closed bank.

The State Bank of Frost became the sixth bank in Minnesota and the 118th in the country to fail in 1985.

Purchase in Sauk Centre

First Bank System, which in mid-August announced plans to restructure its banking assets by offering to sell 28 of its banks with 45 offices to employees and directors of those banks, recently announced the first purchase agreement resulting from that offer. First Bank Sauk Centre, in central Minnesota, will be bought by employees and community members including the bank's president, Dale Emmel. The sale is pending regulatory approval. Specific purchase terms were not disclosed.



Some things have to change.

**At Marquette Bank Minneapolis, we feel
some things should endure.**

Pride in a job well done. A high standard of performance. A tradition of excellence. These are the foundations of Marquette's Correspondent Services Division.

And it shows . . . in our ability to pinpoint and analyze your problems and opportunities. Our willingness to roll up our sleeves, to work with you, to deliver all the

resources of a billion dollar bank to help you meet the challenges of today, and tomorrow.

Technologies and services change, but our attitude hasn't. Because Marquette Bank Minneapolis will never put aside our oldest promise to our customers: professional service with a personal difference.



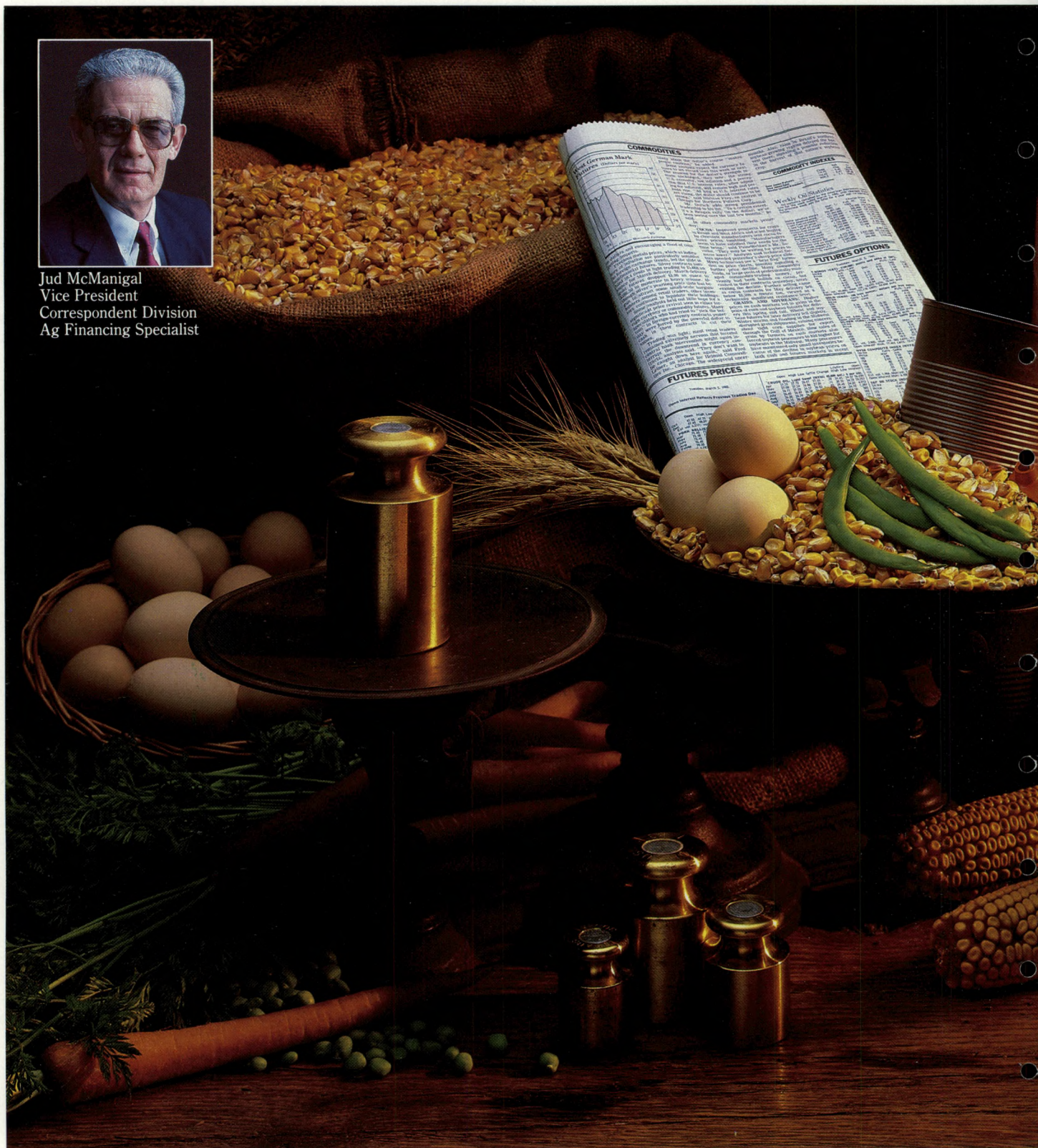
**Marquette Bank
Minneapolis** Member FDIC

Correspondent Services Division

AGRICULTURAL FINANCING



Jud McManigal
Vice President
Correspondent Division
Ag Financing Specialist



FDIC © 1985 FWC

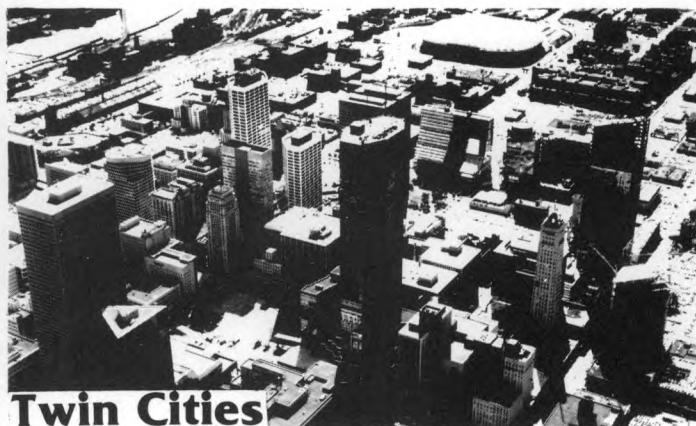


Weighing Opportunities. The transformation underway in agribusiness is a challenge to everyone involved. Those who will succeed must be able to see beyond current difficulties—fluctuating costs, volatile interest rates, unusually severe weather—to the opportunities: improved financial management, foreign market potential, better use of technology.

It's important to realize good ag credit exists now—and First Wisconsin can help your bank find it. We have funds available for financing packages or overlines to accommodate your customers. And our ag lending expert, Jud McManigal, understands the issues you face; his 30 years as a banker and farm owner have taught him how to handle the risks unique to agribusiness.

For the ag lending expertise your bank needs, come to First Wisconsin. Give Jud McManigal a call at 414/765-4143. He'll help you and your customers make the most of agribusiness opportunities.

WHEN PERFORMANCE COUNTS.



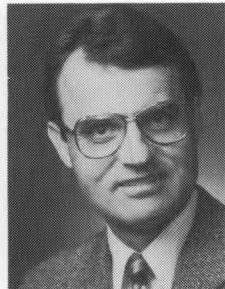
American Bancorporation recently elected **Scott Seiberlich** as president of First Burnsville State Bank in Burnsville.

Mr. Seiberlich has over fourteen years of banking experience. His most recent position was commercial loan vice president at Commercial State Bank in St. Paul.

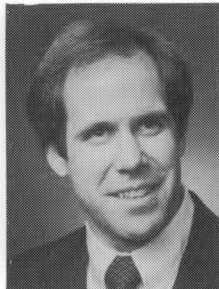


S. SEIBERLICH

* * *



A.W. SANDS



S.C. ERDALL

At Western Bank and Insurance Agency, **A. William Sands** has been elected chairman of the board. He has served as president of the bank since 1978. Prior to joining Western Bank in 1969, he worked for two years at the First Bank, St. Paul, in the areas of commercial lending and equipment leasing.

Stephen C. Erdall has been elected to the board of directors and as president and CEO of Western Bank. With expertise in commercial lending, he began employment with the bank in 1978 in commercial/real estate. Mr. Erdall joined the bank from First Minnehaha with responsibility relating to residential, commercial and construction/real estate loans.

Dennis J. Prchal has been elected

president of Western Insurance Agency, Inc., and a member of the Western Bank board of directors. Mr. Prchal, formerly a senior vice president of Western Bank, has been responsible for the establishment and management of Western Bank's McCarrons Lake office. Currently, he is managing the construction of a permanent facility for the McCarrons office, the establishment of the Western Bank Oakdale office, and the management of Western Insurance Agency. Prior to joining Western in 1978, Mr. Prchal worked for First Bank, St. Paul, in the installment loan area.

James J. Kuhn has been promoted to senior vice president of Western Bank, with responsibilities for planning, tax and control functions. Prior to joining the bank in 1981, he served as accounting officer/supervisor of financial analysis at Norwest Bank, Minneapolis.

Al Mueller has been promoted to vice president of Western Bank. He has served as assistant vice president since he began employment with Western in June, 1985. Prior to that Mr. Mueller served as commercial banking officer at First National Bank of St. Paul.

* * *

Norwest Bank Minneapolis announced the appointment of four vice presidents.

Kent Bergemann was named vice president, capital lending, special loan division. He is a commercial banking representative and had been assistant vice president since joining the division in February. Mr. Bergemann joined the bank in 1983 after holding a variety of positions with Norwest Bank Bloomington.

Ronald Randall and **Gregory Weir** were named vice presidents of the Norwest Corporate Finance divi-

sion of Norwest Capital Markets, Inc. Mr. Randall joined the division in October as a corporate finance representative. Prior to that he was the director of acquisitions for General Mills, Inc.

Mr. Weir joined the bank as a corporate finance representative in August. He had been with First Chicago Corporation, where he held a variety of positions, most recently assistant vice president in the capital markets group.

Virginia Terry recently joined Norwest Bank Minneapolis as manager of stock transfer administration. She had been with First Trust Company of St. Paul since 1951, serving most recently as senior vice president of stock transfer services.

* * *

Cherokee State Bank has recently promoted **Charlette House** to the position of vice president and **Heidi Lampert** to assistant vice president.

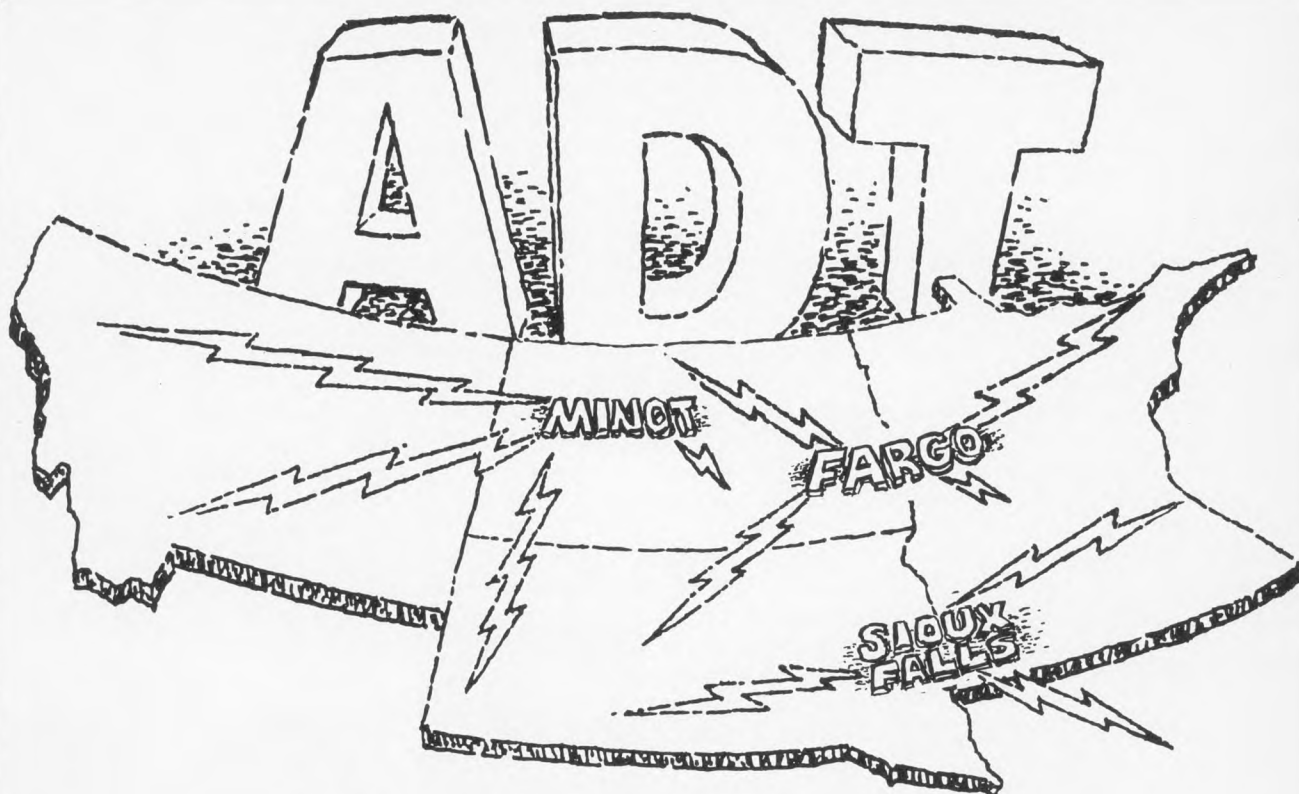
Ms. House has held a number of positions with Cherokee and most recently served as manager-select for Cherokee's new bank on Grand Avenue.

Ms. Lampert joined the bank in 1983 from First Bank St. Paul. She most recently served as assistant cashier.

* * *

Charles D. Hendrickson has joined Bremer Financial Services, Inc. as insurance president. Bremer Financial Services, Inc. provides staff services for the Bremer Financial Corporation group of 26 banks and 37 bank-related affiliates in Minnesota, North Dakota and Wisconsin.

Mr. Hendrickson had been with FBS Insurance as chief operating officer for FBS Metro Agency.



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FBS Mortgage Corporation, the mortgage banking subsidiary of First Bank System, Inc., announced the promotion of **Kathy M. Shirk** to senior vice president-loan servicing; **Lynn P. Bishop** to vice president-loan operations; **Kathryn L. Hanson** to vice president of the Edina office, and **William C. Mase** to vice president of the Minneapolis office.

Ms. Shirk has served as vice president and loan servicing manager since March of 1985.

Ms. Bishop joined FBS Mortgage in 1982 as a senior loan processor.

Ms. Hanson has served as assistant vice president and branch manager of the Edina office since 1984.

Mr. Mase joined FBS Mortgage in 1984 as assistant vice president and branch manager of the Minneapolis office.

* * *

Jon D. Sorenson has joined First Bank System, Inc. as vice president and assistant controller.

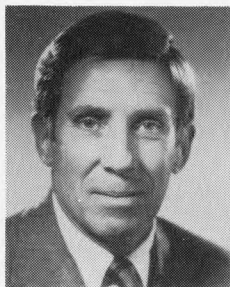
Mr. Sorenson has most recently served as vice president and treasurer of First Federal Savings and Loan in Eau Claire, Wisconsin, a position

he has held since 1982. Prior to that time he was associated with Ernst & Whinney in Milwaukee, Wisconsin, where he served as an audit supervisor.

* * *

Piper, Jaffray & Hopwood announced recently that **E. Peter Gillette, Jr.** will join the company as a senior investment banker in its corporate finance department, effective

March 1, 1986. Mr. Gillette, a former vice chairman of Norwest Corporation, brings more than 26 years' experience in commercial and investment banking and bank management to the firm, according to **Adison L. Piper**, chief executive officer.



E.P. GILLETTE, JR.

Mr. Gillette joined Norwest Bank Minneapolis as a security analyst in the trust investment department in 1959; he was elected a bank officer in 1962; became the bank's chief executive officer in 1980, and in 1982, was named vice chairman of the corporation.

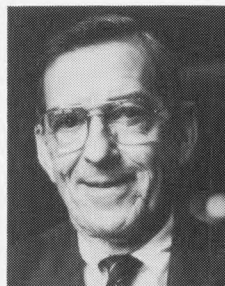
Mr. Gillette is a 1956 graduate of Princeton University and received his LL.B from William Mitchell College of Law and was admitted to the bar in 1963. He completed the Stonier Graduate School of Banking in 1969 and the advanced management program at Harvard Business School in 1973 as a recipient of a Bush Fellowship.

* * *

Allison-Williams Company has named **Willys P. Jones**, former chairman, to the new position of senior chairman.

Mr. Jones recently celebrated his 40th anniversary with the firm. He became a vice president in 1961, president in 1973 and chairman in 1977.

* * *



W.P. JONES

Norwest Bank Midland has elected **Mary C. Meier** as assistant vice president/systems analyst and **Karin H. Lucas** as sales development officer.



M.C. MEIER



K.H. LUCAS

Ms. Meier joined Norwest Bank Center in Omaha, Nebraska in 1977 as an operations trainee. Her banking experience includes working as a teller supervisor and systems analyst at Norwest Bank Minneapolis and as a systems section supervisor at Norwest Bank Metrowest. Ms. Meier joined Norwest Bank Midland from Seattle First National Bank where she was the expense

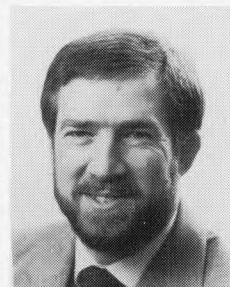
policy officer.

Ms. Lucas began her banking career at Society Bank, N.A., Springfield, Ohio as a management trainee in 1983. She was later promoted to branch manager.

* * *

Norwest Bank Central recently announced the election of **Jeff Whipps** as vice president/portfolio manager,

Willis T. Heupel as assistant vice president, **Howard Palmer** as commercial loan officer, **Jeffrey C. Washey** as credit officer and **Jack D. Shovein** as assistant vice president in commercial lending.



J. WHIPPS



W. HEUPEL



J. SHOVEIN

Mr. Whipps began his career at Finance America, a BankAmerica subsidiary. In 1975, he joined Norwest Bank Central as an installment loan representative. In 1981, he was promoted to assistant vice president and transferred to the commercial lending area.

Mr. Heupel joined Norwest Corporation as a systems analyst in 1978. He was later promoted to operations officer and then, commercial banking officer at Norwest Bank Central.

Mr. Palmer began his banking career as an examiner with the North Dakota State Banking Department in 1979. In 1982, he joined Norwest Audit Services.

Mr. Washey joined Norwest Bank Minneapolis in 1981 and later became a part of Norwest Electronic Delivery System. He was promoted to credit analyst at Norwest Bank Minneapolis in 1984.

Mr. Shovein began his career as a regional auditor for First Wyoming Bancorporation in 1982.

The Federal Reserve Bank of Minneapolis recently named **Robert B. Litterman** to the position of assistant vice president of research.

Mr. Litterman joined the Minneapolis Fed in 1978 as a research assistant and left in 1980 to become an assistant professor of economics at Massachusetts Institute of Technology. In 1981 he rejoined the Minneapolis Fed as an economist, was named senior economist in 1983, and promoted to senior economist and manager of technical support in 1984.

The Federal Reserve Bank of Minneapolis also appointed **John A. Rollwagen** and **Duane W. Ring** to three-year terms on the board of directors. **DeWalt Ankeny, Jr.** has been appointed by the board to serve a one-year term on the Federal Advisory Council.

Mr. Rollwagen is chairman and CEO of Cray Research, Inc.

Mr. Ring is chairman and president of Norwest Bank La Crosse, N.A. in La Crosse Wisconsin.

Mr. Ankeny is chairman and CEO of First Bank System, Inc.

* * *

National City Bank of Minneapolis announced that **Michael A. Summers** is rejoining the staff as vice president and manager of Group W-special loans, in the commercial banking department. Mr. Summer has 13 years of banking experience.

National City Bank also recently opened its Fifth Avenue office and drive-up in downtown Minneapolis.

James H. Hearon, III, chairman and CEO, noted that the new facility includes complete teller, personal banker, automated teller machine services, and one commercial and four consumer drive up lanes, one of which is a 24 hour ATM.

* * *

John E. Mannillo of John E. Mannillo & Associates, a real estate brokerage and management company, has been elected director of the board of Metropolitan Bank St. Paul.

Mr. Mannillo is a St. Paul Heritage Preservation and Riverfront Commissioner, regional director of the Building Owners and Managers Association International and director of the Downtown Community Development Council and Downtown Council.

Reported in Roseville

The Roseville Bank recently surpassed \$100 million in total assets, according to a report by D. Dean Hansen, senior vice president.

The bank, located in the Har Mar Mall at Snelling Avenue and County Road B, Roseville, was founded in 1962 with four employees and assets of \$400,000.00, and has grown steadily. In 1975, the bank opened its first detached facility on County Road B and Pascal Avenue. The Arden Hills-Shoreview branch, County Road F and Lexington Avenue, built in 1979, recently underwent major expansion. A Rosedale office was opened in 1983.

The bank now employs more than 100 persons and serves 24,000 customers. It is ranked among the top 50 in deposits in the seven county metropolitan area.

MBA Plans Bank Operations School

The Minnesota Bankers Association has been working on starting the MBA Bank Operations School. An advisory board met in December to discuss plans for the school, which is scheduled to begin its first session in 1987.

According to MBA Executive Vice President Truman L. Jeffers, the purpose of the new school is to prepare entry to mid-level officers to effectively and efficiently manage the operations functions in a bank. The curriculum will qualify the school to be part of the American Bankers Association's Professional Development Program.

According to MBA Administrative Vice President Wayne Berthiaume, it has taken at least two years of discussion and numerous surveys to place a groundwork for the school.

The MBA Bank Operations School will add a new dimension to MBA's banking schools. The four other schools are the Minnesota School of Banking, Midwest Banking Institute, the MBA Commercial Lending School, and the Graduate School of Banking at Madison.

Krogh Wins Ag Scholarship

Minnesota Bankers Association President Clinton Kurtz has announced Richard L. Krogh, vice president, First National Bank, Osa-

kis, to be the winner of the American Bankers Association Agricultural Bank Management School scholarship sponsored by the MBA. The scholarship provides one year's tuition at the ag school, worth \$1,195. The school consists of two one-week sessions held in two consecutive years at Iowa State University in Ames, Iowa.

CHICAGO NEWS . . .

(Continued from page 28)

Mr. Gabbert joined First National Bank & Trust Company as president and CEO in 1977 after serving with three other banking institutions in Ohio, Indiana, and Iowa. He is also president and a director of First La Porte Financial Corporation, the parent holding company of First National Bank & Trust.

Mr. Naylor owns and operates a 1,200 acre farm with principal crops of seed corn and soybeans. He attended Iowa State University in Ames, Iowa and served as an officer with the U.S. Navy during World War II.

Mr. Naylor and Mr. Gabbert are replacing Chicago Fed directors **Mary Garst**, manager of the cattle division, The Garst Company in Coon Rapids, Iowa and **Patrick E. McNarny**, president and CEO of the First National Bank of Logansport in Logansport, Indiana. Both Mr. Garst and Mr. McNarny served the maximum of two full terms on the Chicago Fed board.

* * *

C. Paul Johnson, chairman, First Colonial Bankshares, Inc., Chicago was recently honored with the "Golden Apple Award" by Global Perspectives in Education, Inc., (GPE) for his outstanding service in promoting global education among youths.

Mr. Johnson was recognized by GPE for his involvement and leadership role with the American Field Service, an international youth exchange program. He received the award at a special reception held in conjunction with the International Business Council MidAmerica. Other recipients of the "Golden Apple Award" included U.S. Senator **Paul Simon** and U.S. Trade Representative **Clayton Yeutter**.

South Dakota

B.C. Solum, pres., Watertown
J.M. Schwartz, exec. mgr., Pierre



Hosted by SDBA

The South Dakota Bankers Association will host a Bank Management Conference February 19-20 at the Holiday Inn City Center, Sioux Falls.

The conference will begin at 5:00 p.m. Wednesday with registration and a "get acquainted" mixer.

Thursday's program begins at 8:30 a.m. with registration and a continental breakfast. Three addresses will be presented Thursday. The first address, "What You Need to Know About the Economy in the '80's" will be given by Dr. Jim Hagerbaumer, Hagerbaumer Economics, Waukegan, Illinois. "How to Meet the Press in the Event of a Bank Failure" will be the title of the second address presented by Dr. Larry Solomon, director of information, Oklahoma Bankers Association, Oklahoma City, Oklahoma. The third address entitled "Theory of Asset/Liability Management" will be presented by Dr. William F. Staats, professor of banking and finance, Louisiana State University, Baton Rouge, La. Thursday's program will adjourn at 4:00 p.m.

The preregistration fee for the workshop is \$110 per registrant which includes speakers, printed materials, mixer and reception, continental breakfast and breaks. On-site registration fee per person is \$120.

For additional information contact the SDBA office in Pierre.

Networks Shared in S.D.

Two networks of automatic teller machines serving 11 communities throughout South Dakota recently announced an agreement to share each other's networks.

The agreement gives customers of 31 institutions that are participants in the ADVANTAGE ATM net-

work access to the Norwest INSTANT CASH network and through the INSTANT CASH network to an international network with outlets in 48 states and Canada.

The ADVANTAGE network, operated by First National Bank in Sioux Falls, has 23 ATMs in nine South Dakota communities. Most of the 31 institutions participating in the ADVANCE network are independent banks, savings and loan associations and credit unions.

The Instant Cash network has 16 ATMs in South Dakota, mostly at or near Norwest Banks, and more than 370 in Minnesota, Iowa, Kansas, Nebraska, Montana, Wisconsin, Wyoming and the Dakotas.

The international CIRRUS network, of which Norwest is one of 14 founding-member banking organizations, has more than 10,000 ATM outlets in the United States and Canada.

C.P. "Buck" Moore, Norwest regional president, explained that customers of any of the participating institutions are now able to access their accounts through ATMs connected to the ADVANTAGE, INSTANT CASH or CIRRUS networks.

Elected in Sioux Falls

Western Bank, Sioux Falls, has elected Pat Hansen as mortgage servicing officer; Russ Hovendick as senior personal banking officer, and Kent Wigg as senior personal banking officer.

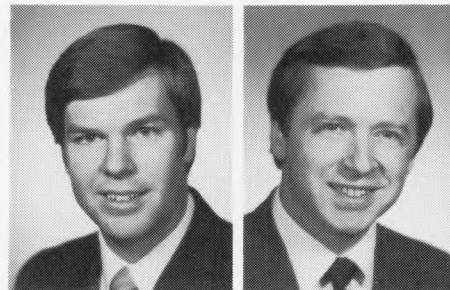
Ms. Hansen joined the bank in August and brings ten years of experience to her new position. Her office will be located in the



P. HANSEN

mortgage servicing department at Western Bank-Downtown, Sioux Falls.

Mr. Hovendick's new responsibilities include management of consumer loan servicing at Western Bank-West and bank-wide management of the consumer loan payment program. Mr. Hovendick joined the bank in 1984 with over eight years experience in consumer lending and management.



R. HOVENDICK

K. WIGG

Mr. Wigg joined Western Bank this past year with eleven years prior experience. His education includes a BS from Iowa State University and an MBA from the University of South Dakota.

NABW Elects Officers

The South Dakota National Association of Bank Women has elected the following women as 1985-1986 state officers:

President - Marlyce Christensen, First Bank of South Dakota, Sioux Falls; Vice President - Patricia Waring, Norwest Bank, Sioux Falls; Membership Chair - Joy Berry, Dakota State Bank, Milbank; Scholarship and Awards Chair - Sandy Vollmer, First Bank of South Dakota, Rapid City; Public Affairs Chair - Laurel Merrick, Norwest Capital Management & Trust Co., South Dakota, Sioux Falls, and Education and Training Chair - Ruth-Ann Dannenbring, First Dakota National Bank, Yankton. The South Dakota organization through its two local chapters has a current membership of 138.

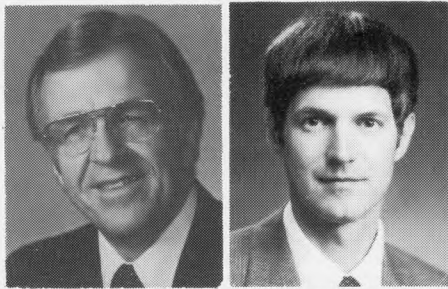


M. CHRISTENSEN

SOUTH DAKOTA NEWS...
(Turn to page 41, please)

North Dakota

W.M. Sanger, pres., Wahpeton
H.J. Argue, exec. dir., Bismarck



Staff Changes in Minot

First American Bank & Trust, Minot, announced the addition of Duane D. Friez as senior vice president-loan administration, and the promotion of Michael J. Hale to senior vice president-operations/finance; Bill Kolb to vice president-human resources, and Kim T. Albert to vice president-marketing officer.



D.D. FRIEZ

M.J. HALE

Mr. Friez joined First American Bank & Trust of Minot with over 27 years of banking experience beginning as a junior loan officer and leading to chief executive officer in two banks which he chartered.

Mr. Hale joined the bank staff in 1984 as vice president-controller. He has over 12 years banking experience with banks in Montana and South Dakota.



B. KOLB

K.T. ALBERT

Mr. Kolb began his career with the bank in 1978 after a 21-year career in the United States Air Force.

Mr. Albert began his banking career in 1978 before moving to Minot in 1983, when he joined the

staff at First American Bank & Trust of Minot as marketing officer.

BancInsure Formed by NDBA

The board of directors for BancInsure Inc., the captive insurance company formed earlier this year by NDBA and four other state bankers associations, directed its management company recently to proceed with offering blanket bonds and limited director and officer liability insurance to member banks.

The NDBA staff is aware of at least several member banks interested in securing these products during January. While banks wishing BancInsure to quote on their insurance coverages should normally give the company 60 days notice of their interest to allow adequate time for underwriting, the company will do everything possible to accommodate banks that have anniversary dates during the initial months of operation.

BancInsure will have underwriting standards similar to those of other insurance carriers, but will do its best to try to find a way to write most banks. There will be those who fail to qualify, but the company will work with them to correct deficiencies and/or direct them to other markets.

The NDBA planned to hire a full-time insurance coordinator who will be responsible for marketing BancInsure products to the membership.

Three Promoted in Watford City

Three officers have been promoted at First International Bank, Watford City.

Stephen L. Stenehjem was promoted to executive vice president. He oversees many operational duties along with handling business and agricultural loans. Mr. Stenehjem joined the bank in 1982 as vice president after previous employment at

Norwest Bank in Bismarck and Mankato, Minn. When he left Norwest Bank Bismarck he was an assistant vice president in commercial lending.

David A. Brendsel was promoted to senior vice president. He joined the bank in 1972 as an agricultural loan officer. He is now in charge of the agricultural loan department as well as investments for the bank. His previous employment was with American State Bank in Minot and the Production Credit Association of Williston.

Anita Quale was promoted to cashier and has been with the First International Bank since 1981. She was previously employed at American State Bank in Williston. Ms. Quale is in charge of internal auditing, new accounts, and also works in the installment loan area.

Promoted in Grand Forks

First National Bank in Grand Forks recently promoted Neal Arnold to assistant vice president, Cindy Wentz to operations officer, Sharon Brattvet to operations officer, Tracy Sande to personnel officer and Susan Kraft to personal banking officer.

Mr. Arnold joined the staff at First National Bank in 1980 while attending the University of North Dakota. He graduated in 1982 with a BSBA in banking and finance and will complete a master's degree in business administration in May.

Ms. Wentz started at First National Bank in 1978. A graduate of the Vocational Technical Institute in East Grand Forks, her responsibility is to oversee technical operations in the bank's lending areas.

Ms. Brattvet supervises the bookkeeping and proof departments. She joined the staff in 1983 after previously working for the First National Bank in Hettinger, North Dakota.

Ms. Sande started working at First National Bank while attending the University of North Dakota. She is a 1981 graduate of UND and holds a BSBA in personnel management.

Ms. Kraft graduated from the University of North Dakota with a BSBA in marketing. She joined the staff at First National in 1983 after previously being employed by Norwest Bank in Jamestown, North Dakota.

Wyoming

H. Kreycik, pres., Douglas
G. Tea, exec. dir., Casper



Pres. Named in Sheridan

The First National Bank of Sheridan has elected James R. Bullard as president and CEO. Mr. Bullard previously was vice president and counsel to credit administration with the Hawkeye Bancorporation of Des Moines, Iowa. He has over 20 years of experience in the banking industry. He has been president of the Clay County National Bank, Spencer, Iowa and the Burlington Bank and Trust Company of Burlington, Iowa.

Mr. Bullard follows Robert G. Miller as president of First National Bank. Mr. Miller has been president of First National since 1974. Mr. Miller has resigned from the presidency and board of First National Bank but will retain his position as chairman of First National Bankshares, Inc. and will continue to be associated with Ranchester State Bank.

Norwest and ABC Name Credit Administrator

Robert Miracle, president of the Norwest Banks Casper and Affiliated Bank Corporation, a Casper-based holding company which owns and administers to the eight Norwest Banks in Wyoming, has announced that Lund Galbraith has been named to head the administration of credits for both Casper Norwest and the other seven banks of the corporation.

Prior to joining Norwest and ABC, Mr. Galbraith was senior vice president and manager of credit review for the Idaho First National Bank of Boise. In that position, he

was responsible for the overall management of the bank's \$1.6 billion loan portfolio, which included the review and approval of all major commercial and agricultural credit lines. He served on the bank's senior loan committee and board of directors loan committee.

At Norwest and ABC, Mr. Galbraith will serve on the long range planning, asset/liability, management, special asset, directors loan and bank loan committees.

Seven Promoted by First Wyoming Bancorp

Judith T. Walz, vice president of First Wyoming Bancorporation recently announced the appointments of several people throughout the First Wyoming Bancorporation system.

John Horne has been named executive vice president of First Wyoming Bank-North Cheyenne. Mr. Horne's most recent position was president of First Wyoming Bank, N.A.-Green River. Previous to that position he served as vice president of commercial loans at First Wyoming Bank-Evanston.

Marshall Jay Alexander has been named vice president and cashier at First Wyoming Bank, N.A.-Kemmerer. Mr. Alexander's most recent position was vice president and cashier at the Bank of Wallowa County, Joseph, Oregon. Previous to that position he served as commercial loan officer at Old National Bank of Washington, Sunnyside, Washington.

Donald R. Schulz has been named executive vice president at First Wyoming Bank-Hanna. Mr. Schulz's most recent position was executive vice president at First National Bank & Trust, Wibaux, Montana. Previous to that position he served as general manager at Metro Catholic Credit Union, Denver, Colorado.

C. Mike Long has been appointed president and CEO of First Wyoming Bank, N.A.-Green River. Mr. Long's most recent position was chairman, president and CEO of Lake National Bank, Lake Ozark, Missouri, an affiliate of Midwest Bancorp, a Missouri bank holding company.

Sally L. Fernau has been named vice president and cashier at First Wyoming Bank-Gillette. Ms. Fernau most recently served as vice president and cashier at First Wyoming Bank-Wright, Wright, Wyoming. Previous to that position she served as cashier at Lusk State Bank, Lusk, Wyoming for 24 years.

Ken Simms has been named new vice president for commercial loans at First Wyoming Bank-Sheridan. He previously held a similar position at First Interstate Bank, Casper, for seven and a half years.

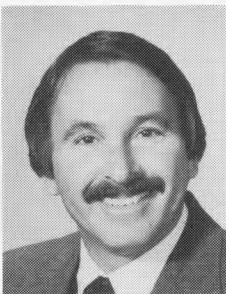
David Shadrack has been appointed president and CEO of First Wyoming Bank-Saratoga. Mr. Shadrack has held positions at First Wyoming Bank N.A.-Rawlins since 1972. He recently served as the vice president of commercial loans.

Winona Flower Dies

One of the most prominent women bankers in Wyoming, Winona Flower, died of cancer January 20 in Jackson Hole. Mrs. Flower, 62, began working at Jackson State Bank in 1951 and retired in August, 1985, due to her illness. She served as secretary for Felix Buchenroth and Felix Buchenroth, Jr., who served consecutively as presidents of the bank, and was executive secretary at her retirement to the current president, Richard Scarlett. She also was secretary to the bank's board of directors.

Mrs. Flower had served for many years as registrant and secretary for the annual conventions of the Wyoming Bankers Association held at Jackson Lake Lodge each June. She was a long-time member of the National Association of Bank Women and was regional vice president at the time of her death.

Always active in many civic and social affairs in Jackson Hole, Mrs. Flower was named in 1982 as Women of the Year by the Business and Professional Women's Club of Jackson Hole. She was a co-founder of the Soroptomist Club in Jackson.



L. GALBRAITH

Montana

R. Timmerman, pres., Butte
J.T. Cadby, exec. v.p., Helena



Two Appointed to Minneapolis Fed

F. Charles Mercord, chief executive officer, First Federal Savings Bank of Montana, Kalispell, and Warren H. Ross, Ross 87 Ranch, Chinook, have been appointed to two-year terms on the board of directors of the Helena Branch of the Federal Reserve Bank of Minneapolis.

Officer Elected in Billings

The board of First Interstate Bank of Billings, N.A. recently elected Dianna Craig as operations officer. Ms. Craig joined the bank in

1979, having worked in the account reference department. Most recently, Ms. Craig served as operations manager.

Chuck Froehle Dies

Clarence "Chuck" J. Froehle, well-known sales representative for Deluxe Check Printers, Inc., died December 27th at the age of 50 in a Great Falls hospital. Mr. Froehle was well-known throughout the state for his work with Montana banks on a statewide basis. He moved with his family to Great Falls as Deluxe's sales representative in 1957.

WISCONSIN NEWS ...

(Continued from page 29)

Menomonee Falls' affiliate of F&M Financial Services Corporation. He joined F&M in 1984.

Banks Offer Brochure

To help consumers understand Wisconsin's new marital property law, many Wisconsin banks are offering a brochure giving simple answers to typical questions which arise about the law. According to Dean Treptow, president of the Wisconsin Bankers Association, the new law affects virtually everyone, married or not, in some way.

"State bankers want to help consumers understand the new law and how it may affect the way they have been managing their business and personal affairs," Mr. Treptow said. He pointed out that the law potentially affects all property owned by spouses including; income, real estate, insurance policies, pension plans, vehicles, investments, bank accounts, personal possessions and trust benefits.

The brochure, "Answers to your Questions about Wisconsin's New

Marital Property Law," available free from participating banks or from the WBA, uses a question and answer format to explain key points in the law which converts Wisconsin to a community property state. Included are seventeen questions and answers about such areas as credit and bank accounts, as well as general information about the law and how it might affect individuals and couples.

Banks To Change Name

The United Banks in Madison, Sun Prairie, Sauk City, and Menomonie and the Bank of Wisconsin in Janesville officially changed their name to "Valley Bank" effective January, 1986. The change includes the adoption of the Valley Bank logo designed for all banks affiliated with Valley Bancorporation, a registered bank holding company.

Employed at Sturgeon Bay

Lester F. Berns has accepted a position as a commercial loan officer at the Bank of Sturgeon Bay. He received his bachelor's degree in marketing and finance in 1984 and his master's in finance in 1985 from the University of Wisconsin.

SOUTH DAKOTA NEWS ...

(Continued from page 38)

Norwest Promotes Seven

Norwest Bank South Dakota, N.A., recently announced several staff changes within its organization.

Lee Groskopf has been promoted to senior vice president, retail banking in Rapid City. Mr. Groskopf joined Norwest in 1972, had been manager of both Villa Ranchaero and Robbinsdale prior to being named vice president, commercial banking in 1984.

Jerry Erickson has been named assistant vice president, mortgage lending in Rapid City. Mr. Erickson joined Norwest in 1979 and had been in both Sturgis and Newell, most recently as assistant vice president, ag banking in Newell.

Doug Meyer has been named manager of Westwood, Larry Hamre to manager of Marion Road and Reggie Smidt to manager of Colonial.

Mr. Meyer has been with Norwest since 1966. He has been a personal banking officer at Colonial since 1975.

Mr. Hamre joined Norwest in Madison in 1981 and transferred to the Westwood Branch in 1984 as a personal banking officer.

Mr. Smidt joined Norwest in 1983 and in 1984 was named assistant vice president and manager of the Marion Road and Westwood branches.

Dave Beranek has been named manager of dealer finance and personal banking officer in Sioux Falls. Mr. Beranek joined Norwest in Rapid City in 1980 and in 1984 transferred to Mitchell as a personal banking officer.

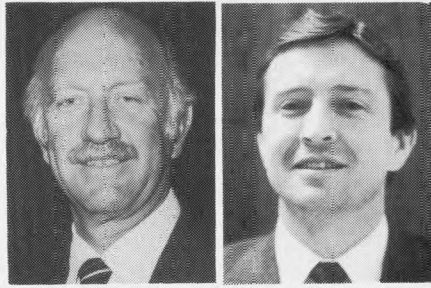
Tony Trussell was promoted and transferred to ag banking officer, from Rapid City to Belle Fourche. Mr. Trussell joined Norwest in 1984 as an ag banking representative.

Olson Elected President

At the annual meeting of Commercial Banshares, Inc., Leslie H. Olson was elected president and a member of the board of directors. Commercial Banshares is the holding company for Commercial Trust & Savings Bank, Mitchell and Sanborn County Bank, Woonsocket.

Colorado

R.B. Clark, pres., Greeley
D.A. Childears, exec. mgr., Denver



Two Named in Denver

United Banks of Colorado, Inc. announced the nomination of Richard A. Kirk to the position of vice chairman of the corporation and the board of directors. Charles R. Hazelrigg was named president of the corporation and elected to the corporation's board. Mr. Kirk will also continue his position as chairman and CEO of United Bank of Denver and Mr. Hazelrigg will remain president of United Bank of Denver.

Elected in Westminster

Kenneth W. Zelig was recently elected president of United Bank of Westminster, the organization's new bank.

Mr. Zelig joined the United Bank organization in 1982, serving most recently as senior vice president of United Bank of Broomfield.

Five Promoted in Boulder

The board of the First National Bank in Boulder recently announced the promotions of several employees.

Richard I. Moreland, senior vice president, was promoted to executive vice president. Mr. Moreland's banking career started over 32 years ago with People's State Bank in McDonald, Kansas.

Douglas D. Drohman, assistant vice president, has been promoted to consumer loan representative III. Mr. Drohman joined the bank in

1979 as a credit service representative in consumer loans.

Kathleen A. Rasco has been promoted to assistant vice president in personnel operations. Ms. Rasco started work in the trust department of the bank in 1978. In 1979, she became payroll clerk and then was promoted to personnel operations officer.

William H. McGaughey has been promoted to commercial loan officer II. Mr. McGaughey joined the bank in 1984 after working for Affiliated Bankshares as an audit supervisor.

Max Faller, lobby services representative now holds the title of lobby services officer. Mr. Faller began his career at First National as a teller in 1982.

V.P. Appointed in Denver

Robert L. Kropf has been appointed vice president, credit administration, of the Central Bancorporation, Inc., Denver. Mr. Kropf will be responsible for reviewing the credit function of each bank and for developing policies, procedures, and other programs aimed at improving the quality of the corporation's assets.

Mr. Kropf joins Central Bancorporation, Inc. with more than 25



I enjoy helping bankers find ways to improve their operations. Like introducing faster methods for clearing funds through Central Bank of Denver. But then you'd expect The Better Bankers® to help you maximize your resources.

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years of experience with Colorado National Bank of Denver. Most recently, he served as senior vice president and director.

Two Promoted in Golden

Colorado National Leasing, Inc., Golden, has announced the promotions of Mark K. Hanson and Roger W. Ayan, Jr. to the positions of lease administration officer and credit officer respectively.

Mr. Hanson joined Colorado National Leasing in 1984 as credit analyst with subsequent promotions to senior analyst and lease administration manager.

Mr. Ayan joined the company in 1984 as lease analyst. He will be responsible for the review of lease submittals and financial analysis of lease approvals.

Established in Denver

United Bank of Denver, the lead bank of United Banks of Colorado, was presented its license recently from the Small Business Administration to operate a venture capital subsidiary, UBD Capital, Inc. United Banks of Colorado also an-

nounced formation of United Equity Corporation.

UBD Capital, Inc., a federally licensed Small Business Investment Company, will provide venture capital primarily in the Rocky Mountain region. Under the federal requirements of an SBIC, the size of any prospective venture can be no more than \$6 million in net worth and \$2 million in after-tax earnings at the time of investment by UBD Capital, Inc. UBD Capital, Inc. is interested in a broad range of industries, including traditional businesses where the prospective company has established a niche.

United Equity Corporation (UEC) was formed by United Banks of Colorado as an investment vehicle to participate principally in ventures larger than the SBIC limits, including project financing opportunities. UEC is a so-called "5% fund," the name derived from the limit of share ownership in a venture that it can hold.

Announced in Denver

United Banks of Colorado, Inc., Denver, announced the public offer-

ing of 750,000 shares of common stock at a price of \$28.75 per share. The First Boston Corporation is the sole underwriter of the issue. The company has granted First Boston an option to purchase up to an additional 75,000 shares to cover over-allotments.

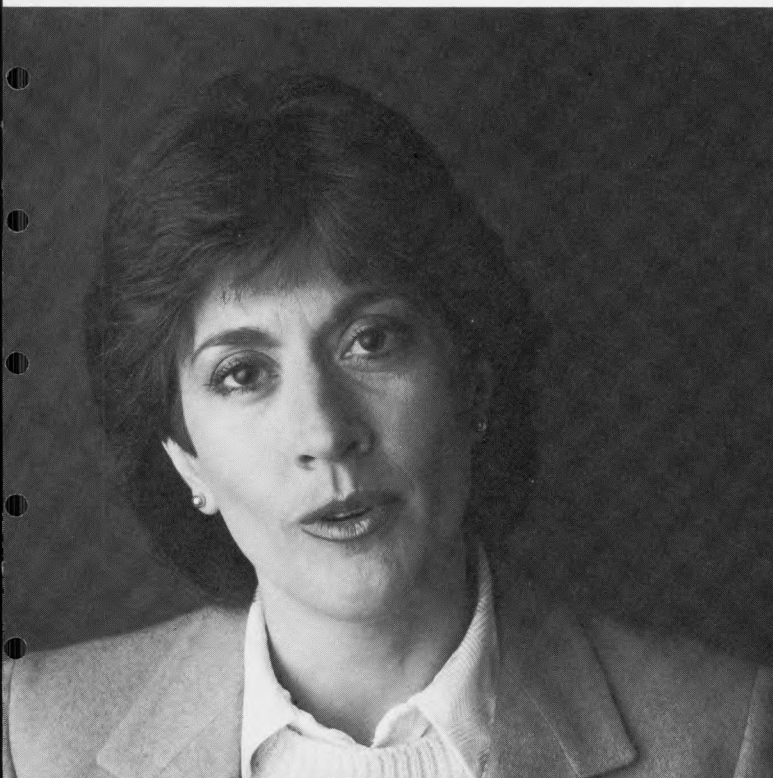
United Banks will apply the net proceeds from the sale of the common stock to its general funds to be used for general corporate purposes, including the repayment of short-term debt.

Elected to Board in Denver

Peter B. Teets, president of Martin Marietta Denver Aerospace, has been elected to the board of directors of The Colorado National Bank of Denver. The announcement was made by William W. Grant, president of the bank.

Recognized in Englewood

First Interstate Bank of Englewood has named Mary Lou Jennings as the "Professional Banker of 1985" and Linda Stevenson as "Teller of the Year."



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Left to right: Loren R. Anderson, Executive Vice President, Administrative Services; Roy M. Otte, Vice President, Bank Investments Division; Mike Jacobson, Vice President, Correspondent Loan Division; Dennis H. Stelzer, President, NBC/Computer Services Division; Thomas E. Henning, President, NBC.

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Nebraska

M. Adams, pres., Ogallala
S. Matzke, Jr., exec. v.p., Lincoln



New Bank of Norfolk Now Open



THE new Bank of Norfolk, a \$1.6 million project completed in recent weeks, celebrated the opening of the bank at an open house on January 5th.

The new facility, which replaces another building on the same site to the west, has 25,082 sq. ft., and has eight times the space of the former building.

Decor is in green, beige and rust, with custom-made Honduras mahogany furniture. The building has four floors, including a lower level which houses the operations and auditing departments. One-third of this level will soon be occupied by a new data processing center for the National Bank of Commerce, Lincoln.

On the main floor is a two-story atrium central core area with offices on three sides and the entry way on the fourth. A mirrored ceiling reflects light from an unusual glittering glass-rod type fixture. In front of the main door is the sales/reception desk. Toward the west is a teller service counter with marble top and a lobby service desk. The loan service area occupies part of this floor, and bank officers have individual offices on the south. In the southwest

corner is a "little theater" high technology area designed for use in training employees and for providing customer education.

The next floor has the Norfolk Financial Center insurance offices, an employee meeting room, employee lounge, the real estate area and a spacious room for the board of directors.

The 6,000 sq. ft. top floor, which will be leased, is not completely finished as yet.

The Bank of Norfolk staff includes 30 employees. There are five in the real estate section and two in insurance. Duane Acklie is chairman, with Ray Tiedje as president.

Merger Approved in Ogallala

Regulatory approval to merge five Adams family banks as the Adams Bank & Trust has been granted effective January 20th, according to Mel Adams, chairman.

Bank of Brule, Brule; Chase County Bank & Trust, Imperial; First Security Bank, Sutherland; Security State Bank, Madrid, and Keith County Bank & Trust, Ogallala

received notice of regulatory approval by the Nebraska Bank Department, the Federal Reserve Bank and the Federal Deposit Insurance Corporation.

Mr. Adams, a third generation banker and currently president of the Nebraska Bankers Association, stated that "the merger approval allows us greater flexibility in offering additional services and enables the five locations to combine their resources and strengths to help individuals as well as communities in these challenging times."

The five bank merger will make the Adams Bank & Trust one of the largest state banks in Nebraska. Adams Bank & Trust reported total deposits of \$109,294,978 and total loans of \$77,402,030 as of December 31, 1985.

Changes Made In Columbus

First National Bank and Trust Company, Columbus, has announced several staff changes. Donald M. Schupbach has been promoted to senior vice president in charge of commercial lending. Clark Lehr and Paul A. Canaday have joined the bank as vice president in commercial lending and agricultural officer respectively.

Three officers have announced retirement: Mark Keller, vice president and agricultural representative, after nine years; Julian Meyer, vice chairman of the board and head of commercial lending, after 38 years, and Minnie Asche, senior vice president administration, after 56 years.

Anniversary in Kearney

A ceremony marking the 10th anniversary of the Kearney State Bank and Trust Company, 31st and Second Avenue, highlighted the bank's opening, January 6th.

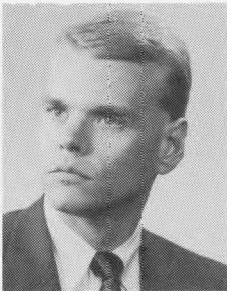
Cub Scout Pack 135, Color Guard, raised a special U.S. Flag that flew over the nation's capitol on December 10, 1985. The local flag raising ceremony commemorated the ten year milestone, as it was part of the opening day activities ten years earlier on January 5, 1976.

Remarks followed by Terrence Geiger, president, Mayor Justus Dobesh, and KSB Chairman Dr. Francis L. Richards. Cutting of the anniversary cake climaxed the activities and a reception followed in the lobby of the bank.



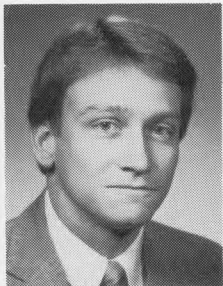
Omaha

The following people have been promoted at Norwest Bank Nebraska, N.A.: **Kirk L. Kellner**, vice president/business banking; **Gerald Lenczowski**, vice president/business banking; **Charles Olson**, vice president/manager of agricultural banking; **Gary Ott**, vice president/manager of loan support team; **Donald Weber**, vice president/manager financial planning; **Jeffrey A. Kenkel**, financial officer, and **Dennis Walsh**, financial systems officer.

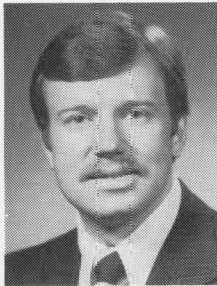


K.L. KELLNER

Mr. Kellner began working at Norwest Bank Omaha in 1981 as a regional credit trainee. He moved to Norwest Bank Omaha in 1981 as a regional credit trainee. He moved to Norwest Bank Des Moines in 1982 as a commercial lender. In 1984 he moved to Lincoln where he worked as commercial loan officer and assistant vice president of commercial loans for two related banks there. He will office at 10010 Regency Circle in Omaha.



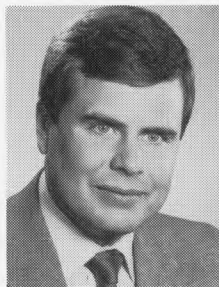
J.A. KENKEL



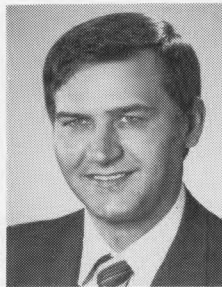
G.J. LENCZOWSKI

Mr. Lenczowski began working at Northwestern National Bank in 1975 and has been a business banker since 1984. He will office at 24th and L Streets in Omaha.

Mr. Olson was promoted to vice president and manager of ag banking at the Grand Island location. He worked for the Farm Credit System for 12 years as loan officer, credit review specialist, and credit director. He joined Norwest Bank Nebraska at Grand Island on Dec. 1, 1985.



C.R. OLSON



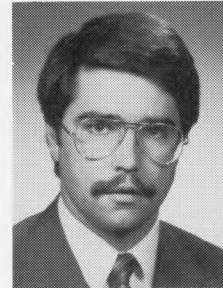
G. OTT

Mr. Ott was promoted to vice president/manager of the loan support team at the Grand Island location. Prior to joining Norwest he worked for the Federal Land Banks for over 14 years. He was a loan officer and a branch manager in Iowa and was vice president of credit in Grand Island.

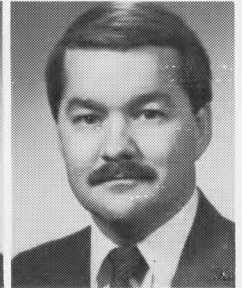
Mr. Weber began working in 1977 for the comptroller of currency as an assistant national bank examiner. In 1982 he was promoted to national bank examiner. A year later he began working with Norwest Bank Omaha as a financial analyst and was promoted to second vice president in 1984.

Mr. Kenkel started with Norwest

Bank Nebraska in 1979 and worked in accounting, cash management, float management, and data control before moving to the financial planning and analysis area one and a half years ago.



D.W. WEBER



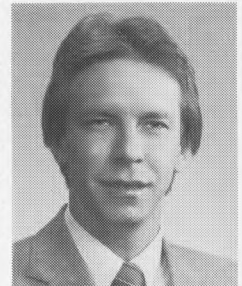
D.J. WALSH

Mr. Walsh began with Norwest Bank in 1977 and has worked in various areas, including cash center, bankcards, loan services, correspondent banking, Norwest Information Services and Norwest Technological Services.

Mr. Weber, Mr. Kenkel and Mr. Walsh office at 20th and Farnam Street in Omaha.

* * *

Tom Erickson has been named manager of FirstTier Mortgage Co.'s branch office in Lincoln. He succeeds **Marlin Hupka**, who has been named manager of FirstTier Mortgage's residential loan production office in Omaha.

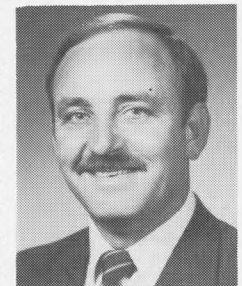


T. ERICKSON

Mr. Erickson, who joined the company as a mortgage loan officer, previously worked as a loan officer and a branch manager with another Lincoln financial institution.

* * *

Marlin Hupka has been named manager of FirstTier Mortgage Co.'s Omaha residential loan production office. He joined FirstTier Mortgage as a loan officer in 1983 and formerly was manager of the company's Lincoln branch. Prior to that he worked in real estate and new construction. His successor at the Lincoln office is **Tom Erickson**.



M. HUPKA



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Gerry Tomka, Ralph Peterson, Fred Kuehl, Tom Jensen, Tim Smith, Todd Kruse.



Lincoln

Havelock Bank Opens Downtown Office



LINCOLN mayor Roland Luedtke cuts the ribbon for the grand opening of the new downtown location of the Havelock Bank at 14th and M Streets. Havelock Bank President Terry King (left) assists.

Havelock Bank and City Bank and Trust Company of Lincoln have merged under the Havelock Bank name. The merger has been approved by the FDIC and the Nebraska Department of Banking and Finance and was effective Dec. 31, 1985. The combined bank will continue to be owned by Omaha National Bank.

The City Bank and Trust Company has become a downtown branch of the Havelock Bank and

will remain a full-service facility.

According to Havelock Bank President Terry L. King, the merged bank will have \$56 million in assets, making it more competitive in downtown Lincoln.

The merger was celebrated with open houses at the three Havelock Bank locations and a ribbon-cutting ceremony at the new branch. Refreshments and gifts of plants were offered to customers for the occasion.

David City Bank Merges

The First National Bank of David City officially merged with First National Bank & Trust Company of Lincoln, a FirstTier Bank, on January 31, 1986, according to an announcement by William C. Smith, president and chief executive officer of the Lincoln Bank.

An unveiling of the new name was

to occur on February 3, at the bank in David City.

James L. Howe, president of First National Bank of David City, will continue to manage the office, and all other employees and officers will continue with the bank.

Mr. Howe said the merger with First National Lincoln marks a new era for banking in the region by

aligning the bank with the second largest bank in Nebraska and the Nebraska-based FirstTier Banks. This will enable First National Bank of David City to offer additional financial options to customers, as well as services such as estate and trust services, mortgage, brokerage and leasing services.

The FirstTier Banks also include the largest bank in Nebraska, Omaha National Bank.

"This is going to be an advantage for our bank and especially our customers," Mr. Howe commented. "By merging with a banking system that has a \$2 billion financial base, we're enhancing our ability to stimulate economic growth in this area."

Mr. Smith said that the merger of the bank in David City is an important addition to the FirstTier Banks' system. "This merger further establishes the FirstTier Banks as Nebraska's home-based banking system that knows and cares for the needs of this state. Given the strong financial condition of the bank, the potential for growth in this area, and the bank's dominance of the market, this is a very positive move for FirstTier and David City."

Promoted in North Platte

The McDonald State Bank, North Platte, has announced promotions for two officers, effective at the beginning of the year.

Nickette Evans has been promoted to cashier of the bank. Mrs. Evans first became associated with the bank in 1970. She was named assistant cashier in 1980, has been responsible for the bank's accounting function, and served as manager of the bookkeeping and proof departments. As cashier, Mrs. Evans becomes the chief operations officer of the bank.

Linda Morrison has been promoted to assistant vice president. Mrs. Morrison joined the bank in 1966 and was named assistant cashier in 1981. When the bank started its trust department in 1982, she was also named as assistant trust officer, which title she will retain. Mrs. Morrison also serves as personnel officer and supervises loan accounting and the bank's escrow department.

NEBRASKA NEWS . . .

(Turn to page 58, please)

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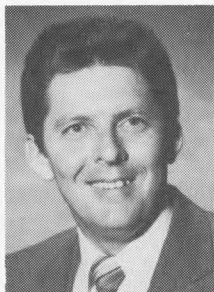


Elected in Climbing Hills

Francis J. Palmersheim has been elected chairman of the Climbing Hill Savings Bank, Climbing Hills.

Mr. Palmersheim was an organizer and president of Siouxland National Bank in South Sioux City, Nebraska previous to joining the Climbing Hill Bank. He began his banking career with First National Bank, Ottumwa, in 1968 after working with Thorp Finance Corp. for several years. In 1974 he joined Dakota County State Bank in South Sioux City, Neb.

In addition to serving in his capacity at Climbing Hill Savings Bank, Mr. Palmersheim also continues to serve on the board of Siouxland National Bank in South Sioux City.



F. PALMERSHEIM

New President Named at Norwest Mason City

The board of directors of Norwest Bank Mason City has named Arlan Tengwall president and chief executive officer of the bank, effective February 1.

Mr. Tengwall had been senior vice president and head of Norwest Corporation's agriculture business group, as well as managing officer and chairman of Norwest Agricultural Credit, Inc., Sioux Falls. He was elected to his new post in Mason City at a meeting of the bank's board of directors held January 21.

Mr. Tengwall succeeds Jack W.



A. TENGWALL

Nielsen, who is resigning to pursue other opportunities.

Mr. Tengwall, who held his latest position at Norwest Corporation since 1982, previously was vice president and manager of the agricultural credit division at Norwest Bank Minneapolis.

He joined Norwest in 1966, beginning as an agricultural representative at Norwest Bank Helena, Mont. He previously spent six years with the PCA System in the St. Paul district and one year with the Iowa State Bank, Algona. In 1970, he became vice president and supervisor of agricultural credit at Norwest Bank Aberdeen, S.D.

From 1975 to 1977, he served as vice president in charge of agricultural lending at Texas American Bank, Fort Worth, where he also served as a board member and vice president of American Ag Credit Corporation, a subsidiary of that bank. He returned to Norwest in 1977.

Tengwall has a degree in agricultural business from the University of Minnesota College of Agriculture and is a graduate of the Wisconsin Graduate School of Banking.

Pres. Elected in Waterloo

R.K. Sverdahl, chairman of the board and president of Peoples Bank

and Trust Company of Waterloo, has announced that Donald L. Porchet has been elected president of the bank.

Mr. Porchet is formerly president of Bankers Plus, Inc., Minneapolis, a bank equipment leasing subsidiary of Peoples Bankshares, Ltd. He will continue as president of this affiliate. He has been with the Peoples organization for over 26 years.

Mr. Sverdahl will remain as chairman of the board of Peoples Bank as well as chairman of the board and president of Peoples Bankshares, Ltd., with more of his time being devoted to the management and operational efficiencies of the multi-bank holding company.

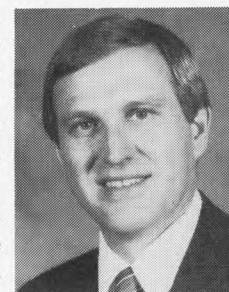


D.L. PORCHET

Elected in Kellogg

Roger J. Holck has been elected president of Kellogg-Sully Bank & Trust, Kellogg.

He joins the bank after serving as vice president and manager of the agricultural division of First American State Bank in Fort Dodge. He is a graduate of the American Bankers Association National Agricultural Bank Management School and currently serves on the Iowa Bankers Association Agricultural Committee.



R.J. HOLCK

1986 Iowa Group Meetings

Group	Date	Location
1	February 7-8	Sioux City
11	February 16-17	Burlington
4	May 5	Dubuque
7	May 6	Waterloo
8	May 7	Iowa City
6	May 8	Des Moines
5	May 19	Council Bluffs
2	May 20	Fort Dodge
12	May 21	Okoboji
3	May 22	Clear Lake

Elected in Mount Pleasant

At Henry County Savings Bank, Mount Pleasant, Dean Hicks has been elected president and chief executive officer. Robert L. Norris, who has served as president for the past ten years, announced his retirement effective December 31.



D. HICKS

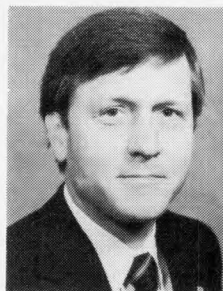
Mr. Norris joined the Henry County Savings Bank in 1950 and served in various capacities before his election to president in 1975.

Mr. Hicks joined the bank in 1984 as executive vice president. He previously served as president of Community National Bank & Trust Company in Knoxville. He also served as senior vice president of Brenton State Bank of Jefferson.

Elected in Boone

Stephen G. Patterson has been elected president of Citizens Na-

tional Bank of Boone-Stratford. He has been with Hawkeye Bancorporation for 13 years, most recently as president of The First National Bank of Sibley. Prior to that, he was with Hawkeye Bank and Trust of Sioux City and First Federal State Bank of Des Moines, now Hawkeye Bank and Trust—Des Moines.



S.G. PATTERSON

IBIS Sponsors School

Iowa Bankers Insurance & Services, Inc. will sponsor a Credit Life & Disability Licensing School, February 24-25, 1986 at the Holiday Inn, Capital Plaza, Des Moines. The fee is \$45.00 for bankers and \$55.00 for nonbankers and will include a licensing information bulletin, study materials, two days of instruction, lunch, and refreshments both days. Lodging and an Iowa Agents' Study Manual are not included in the school fee.

Dwight Seegmiller Named President of Hills Bank

Dwight O. Seegmiller was elected president of Hills Bank and Trust Company, Hills, by the board of directors at their January meeting. Mr. Seegmiller formerly was senior vice president of the bank. Mr. Seegmiller fills the vacancy created December 9 when a farm customer shot and killed President John R. Hughes.



D.O. SEEGMILLER

The Hills Bank board of directors also announced further promotions. James R. Gordon, formerly vice president and trust officer, was named senior vice president and trust officer. James G. Pratt, formerly vice president and controller, was elected senior vice president and controller.

Roger J. Reilly, was advanced to vice president from assistant vice president and Thomas L. Kriz was promoted to assistant vice president.

Kevin J. Bernhardt was elected assistant cashier after completing an officer training program.

Retired in Mapleton

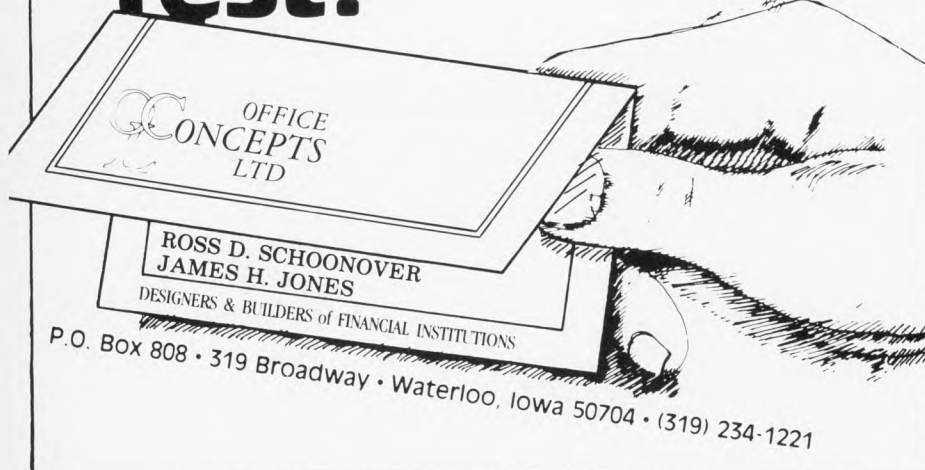
Frances Schmeling, cashier and assistant trust officer of the First State Bank of Mapleton, has retired as of Jan. 1. She joined the bank in 1947 and served in all areas of bank operation as well as managing the Fred H. Welch Insurance Agency for many years. She was very active on both the state and national level of the National Association of Bank Women, including serving as regional vice president for the states of Iowa, Nebraska, Kansas and Missouri.



F. SCHMELING

Mrs. Schmeling was honored with an open house attended by over 250 on Dec. 13. In January her co-workers held a dinner in her honor as well.

Committed to making your bank stand apart from the rest!



ANOTHER TURNKEY BANK PROJECT BY KIRK GROSS CO.



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First Interstate Economist Sees Better Iowa Outlook

Dr. A. James Meigs, senior vice president and chief economist of First Interstate Bancorp, Los Angeles, forecast last month in Des Moines that "Iowa's outlook for 1986 is more promising." He based his forecast on the national economy improving significantly and with expectations for a further decline in dollar value over the year. "The prospects for agriculture will be better in 1986," said Dr. Meigs, "than they have been in several years, although still difficult for many operators."

Dr. Meigs noted that "Iowa's fundamental problems lie in its relatively heavy dependence on agriculture." Positive factors he noted in the Iowa economy are the state's electrical equipment sector with 20,200 jobs, the printing and publishing industry, which added 600 more jobs the past year, and the insurance industry which showed employment gains.

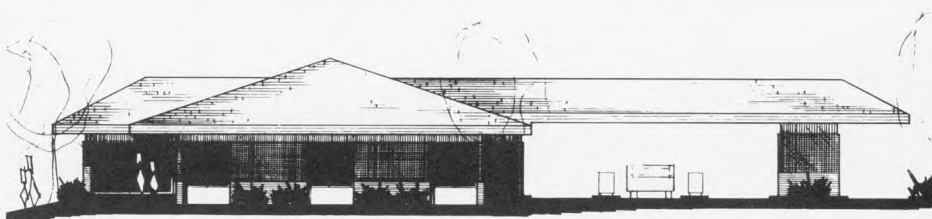
In regard to agriculture, Dr. Meigs said "Farmers were misled by so-called experts in the 1970s, who proclaimed that the world was facing starvation by the year 2,000. Those erroneous statements led U.S. agriculture to produce more, and now, we have few markets. Other countries began producing. India is now exporting grain. China has increased cotton production and it's killing California cotton producers."

Dr. Meigs also stated, "Trying to control the value of the dollar can lead to more problems. The Carter administration tried this and we wound up in trouble." He also said



Kenneth M. Myers (left), chmn. & ceo of First Interstate of Iowa, Inc., visits with **Dr. A. James Meigs**, sr. v.p. & chief economist of First Interstate Bancorp, Los Angeles, when Dr. Meigs visited the Des Moines holding company last month.

Hills Bank Opens North Liberty Office



AN architect's drawing depicts the new North Liberty office of Hills Bank and Trust Company. The office was opened on Feb. 3 and is located at Highway 965 and Zeller Street. The full-service office offers loans, checking and savings accounts, certificates of deposit and investment, safe deposit boxes, trust services, discount stock brokerage, and IRA's. It will have three drive-up lanes, a night depository and a 24-hour drive-up automatic teller machine. The upper level contains 3,400 sq. ft. of space, and the lower level includes a 1,200 sq. ft. community room. The architect was Roland Wehner of Wehner, Pattschull and Pfiffner, Iowa City. General contractor was TriCon Construction Company of Iowa City.

the Carter embargo on grain shipments to Russia cost this nation dearly in foreign grain markets.

Dr. Meigs was in Des Moines to address the annual stockholders meeting of First Interstate of Iowa, Inc., Des Moines-based holding company that owns 13 Iowa banks.

Promoted to EVP in Waterloo

The Waterloo Savings Bank recently announced the promotion of E. James O'Connor to executive vice president.

Mr. O'Connor has been with the bank for 35 years and has previously served as senior vice president. He has been in charge of the loan portfolio of the bank and will assume more executive responsibilities in the bank as well. Mr. O'Connor will continue to act as president of the Hudson State Bank which, along with the Waterloo Savings Bank, is an affiliate of the Metro Bancorporation.

Mr. O'Connor is also vice president/secretary of Metro Bancorporation.

Waterloo Savings has other offices located in Waterloo and Cedar Falls.

Coin Promotion Held at Farmers State Bank, Marion

Over 665,000 coins were counted at Farmers State Bank, Marion, on Dec. 11 in the Fifth Annual Copper and Silver Bowl promotion. Each year, for one day FSB buys loose change and pays premiums and bonuses to the individuals owning the coins.

One sidelight to the promotion

was a collection of old silver U.S. coins brought in by a woman who was unaware of its potential value. She followed bank officials' suggestion to contact a reputable appraiser, and received over \$70 for her coins having a \$16 face value.

FSB officials indicate next year other types of promotions will replace this event. In the five years of the promotion, nearly 3.25 million coins have been counted, having a face value of over \$95,000. The bank has paid individuals bonuses and premiums totalling over \$3,100.

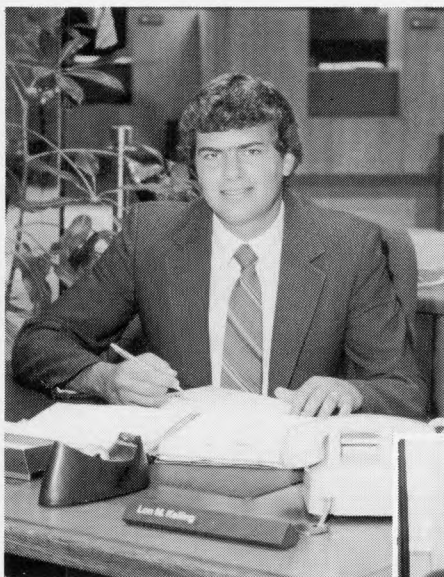
Alternative Financing Is Outlined in New Book

A new publication titled *Financing Alternatives for Iowa Businesses* is available from the Iowa Business Development Credit Corporation. It is a reference source to assist lenders, accountants, attorneys or economic development specialists in reviewing a comprehensive summary of the alternatives to conventional bank financing for those business borrowers who don't quite meet bank lending standards.

Each of the summaries of federal, state and private sources has been reviewed and approved by the administrative agency involved. Summaries are detailed and include guidelines regarding eligibility, amount of funding available, program regulations and the application process. Also included are the name, address and phone number of each administrative agency.

The publication price of \$20 includes a three-ring binder and free up-dating service for one year.

Strength in Service.



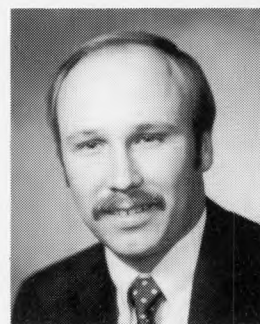
Lon Kelling
Ag Lending Rep.



Phyllis Foster
Investment Representative



Patty Stansbury
Investment Representative



Mark Paradise
Correspondent Banking
Officer



Doug Schmidt, Vice President Commercial Lending



(L) Max Larson
President

(R) Jim Anderl
Sr. Vice President



Gary Stevenson
Vice President
Correspondent Banking
712-277-0618

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- **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.
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First National Bank



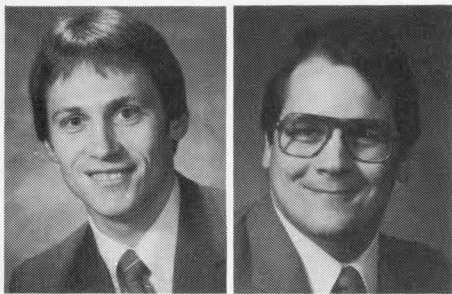
Sioux City, Iowa 51101

Member FDIC

A 'BANKS OF IOWA' BANK

Promoted in Webster City

At First State Bank of Webster City, Jeff Plagge has been promoted to executive vice president and Mark Noll to vice president.



J. PLAGGE

M. NOLL

Mr. Plagge joined the bank in 1984. He also serves as executive vice president and cashier of the Farmers State Bank at Stanhope. Prior to his joining the bank he was employed by the Farm Credit System for seven years. He served at both the PCA in Council Bluffs and the PCA in Webster City.

Mr. Noll joined the bank in 1983 as an agricultural representative. He was promoted to assistant vice president in 1985. Prior to that he was vocational agriculture instructor and FFA advisor for four and a

half years at the Webster City Community Schools.

Seven Promoted in Lone Tree

Several promotions have been announced at the Farmers & Merchants Savings Bank of Lone Tree. Gayle Kaalberg and Karen Forbes have been promoted to assistant vice presidents. Julie Chown, Patricia Huff and Audrey Lenz were advanced to assistant cashiers. Ann Wieskamp was promoted to assistant office manager. Deborah Lake was promoted to installment loan officer.

Added in Waterloo

Randall G. Ledger has joined the Hudson State Bank, Waterloo, as assistant vice president. Prior to joining the bank, he was vice president at the State Bank of Allison, Iowa, for two years and a loan officer for the Southeast Iowa PCA for five years.

Promoted in Council Bluffs

Two have been promoted at First

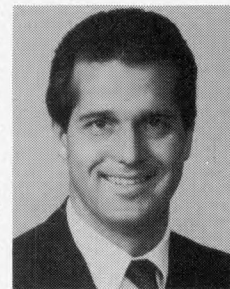
National Bank of Council Bluffs.

Deborah Mueller was promoted to assistant vice president. She is currently responsible for integrating computer systems and systems planning.

Rick Hagge was promoted to assistant vice president and agricultural loan officer.

Appointed in Cedar Rapids

The Merchants National Bank of Cedar Rapids recently announced the appointment of Robert J. Louvar as assistant vice president in the correspondent banking division. He has ten years of banking experience in lending, operations, administration and data processing. Most recently he was president and CEO of Mid-America Financial Services in Davenport.



R.J. LOUVAR



ST

FIRST NATIONAL BANK OF DUBUQUE

Seventh at Town Clock Plaza
Kennedy at Wacker
Jackson and White at 22nd
Asbury at Hales Mill Road
Member FDIC

STATEMENT OF CONDITION

DECEMBER 31, 1985

ASSETS

Cash and Due from	
Financial Institutions	\$ 12,648,000
Federal Funds Sold	11,500,000
Investment Securities	
U.S. Treasuries and Agencies ...	49,369,000
State and Political Subdivisions ..	25,377,000
Other Investment Securities	288,000
Loans, Net of Unearned Income	
(\$393,000)	101,328,000
Reserve for Possible Loan Losses	(955,000)
Net Loans	\$100,373,000
Bank Premises and Equipment	2,726,000
Other Assets	4,283,000
TOTAL ASSETS	\$206,564,000

LIABILITIES AND STOCKHOLDERS EQUITY

Deposits	\$173,029,000
Federal Funds Purchased and	
Securities Sold under Agreements	
to Repurchase	13,280,000
Other Liabilities	4,581,000
Total Liabilities	\$190,890,000
Common Stock	\$ 4,800,000
Surplus	4,800,000
Undivided Profits	6,074,000
Total Stockholders Equity	15,674,000
TOTAL LIABILITIES AND	
STOCKHOLDERS' EQUITY	\$206,564,000

OFFICERS and DIRECTORS

Officers

William G. Kruse
Chairman of the Board and
Chief Executive Officer
J. Bruce Meriwether
President
Paul J. Glisch
Senior Vice President -
Special Lending
Thomas J. Stecher
Senior Vice President -
Operations
Richard A. Bean
Senior Vice President -
Finance
Daniel E. Wei
Senior Vice President and
Cashier
Thomas W. Buelow
Vice President -
Loan Administration
Leo M. Maille
Vice President -
Agricultural Lending
Dale P. Repass
Vice President -
Commercial Lending
John M. Hansen
Vice President -
Investments
David W. Spahn
Vice President and
Controller
C. Michael Reilly
Vice President -
Marketing and
Business Development,
Non-Bank Services

John J. Savary

Assistant Vice President -
Manager North Dubuque
Office
Gladys A. Hueneke
Assistant Vice President
Beverly J. Anderson
Assistant Vice President -
Personnel Director
Paul A. Pfohl
Assistant Vice President -
Installment Loan Manager
Linda L. Budde
Assistant Vice President -
Manager Real Estate
Department
**Francis A. "Chip"
Murray, Jr.**
Assistant Vice President -
Manager West Dubuque
Office
Sara J. Candy
Personal Banking Officer
Mary A. Piersch
Personal Banking Officer
Alan L. Schuster
Personal Banking Officer
Mark E. Small
Auditor
John S. Nigg
Data Services Officer
Scott A. Tibben
Agricultural Loan Officer
Trust Department
Mark J. Willging
Vice President -
Trust Officer and
Trust Department Manager

Cheryl M. Christ

Trust Administration Officer
Shirley A. Christensen
Trust Operations Officer
Directors
Edward A. Babka
President,
Babka Publishing Co.
Paul L. Britt
President, Dubuque
Stamping & Mfg. Inc.
Paul J. Glisch
Senior Vice President -
Special Lending
Philip T. Kelly
President, Communications
Properties, Inc.
William G. Kruse
Chairman of the Board and
Chief Executive Officer
John W. Law
John W. Law Co., Retired
J. Bruce Meriwether
President
Wayne A. Norman
Planning and Development
Officer, University
of Dubuque
Roger J. Rhomberg
President,
Rhomberg Fur Co.
James E. Walsh
President,
Bird Chevrolet Co.
James D. White
Director of Manufacturing -
John Deere Dubuque
Works

N.J. Yiannias

President,
Dubuque Theatre Corp.
President,
Key City Investment Co.
Honorary Directors
Waldo Adams
Frank A. Fluckiger
Charles J. Spahn
Catherine Winall



FIRST NATIONAL BANK — DUBUQUE, IOWA 52001



The New Superintendent



PICTURED at his desk after assuming his new duties on January 10 as Iowa superintendent of banking is **William R. Bernau**. As noted in last month's issue, Mr. Bernau succeeds **Thomas H. Huston**, who held the post since September 1, 1975, and has returned to Columbus Junction where he is president and CEO of Columbus Junction State Bank. Mr. Bernau, 54, is chairman and president of Peoples Savings Bank in Crawfordville in southeast Iowa. He is also chairman and president of the Iowa State Bank & Trust Co. in Center Point and chairman of Walker State Bank in Walker. Mr. Bernau was currently chairman of Iowa Bankers Association Group 11, which placed him on the IBA board of directors, but resigned those positions when he became superintendent.

Promoted in Waterloo

At the National Bank of Waterloo, Leo P. Roofff has been promoted from vice president to senior vice president of governmental relations. He joined the bank in 1983 after serving ten years as the mayor of Waterloo.



L.P. ROOFF

J. HALL

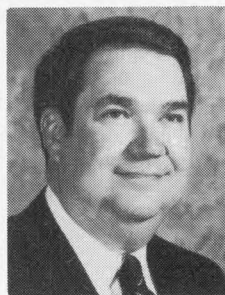
Jay Hall has transferred to the National Bank of Waterloo from Midway Bank & Trust. Both banks are subsidiaries of Iowa National Bankshares. Mr. Hall was formerly a loan officer at Midway Bank & Trust from 1979 through 1985. He will hold the position of operations officer.

Appointed, Promoted in Clinton

At Clinton National Bank, Clinton, James E. Stachour has been appointed senior vice president, and Raymond E. Meister and David J. Ramnath have been promoted.

Mr. Stachour comes to the bank after serving as president of the First National Bank in Sioux Center, Iowa, since 1985. He was employed by First National Bank since 1970.

Mr. Meister was promoted to vice president in charge of the agricultural lending department. He joined the bank in 1984 after serving seven years with the PCA in Perry. Mr. Ramnath was promoted to assistant cashier in charge of the real estate lending department. He joined the bank in 1982 as a trainee. Prior to being assigned to the real estate loan department, he was trained in several areas of both the main and branch banks.



J.E. STACHOUR

Changes Announced in Cedar Falls

Three personnel changes have

been announced at Norwest Bank Cedar Falls.

Mark A. Long has been promoted to vice president—commercial banking. He will be assuming the duties of Henry Dion, who has accepted a position with a bank in Rochester, Minn. Mr. Long has been with Norwest Corporation since 1981, and with the Cedar Falls bank since 1984 as commercial banking officer. He was named assistant vice president—commercial banking in July, 1985.

Duane A. Amhof, commercial banking officer, will be assuming a more predominant role in the commercial lending area assisting Mark Long. He has been with Norwest Corporation since 1983 and with the Cedar Falls bank since 1984.

Cathy Rottinghaus is transferring to the Cedar Falls bank as commercial banking representative. She will be assuming duties in the commercial and ag lending areas. She started with Norwest Bank Des Moines, N.A. as a regional credit trainee in Jan., 1985.

Elected in Sioux City

At Hawkeye Bank & Trust, Sioux City, Richard L. Davison has been elected to the board of directors. He has been with the bank since 1984 and serves as vice president and senior loan officer.

KING MANAGEMENT COMPANY

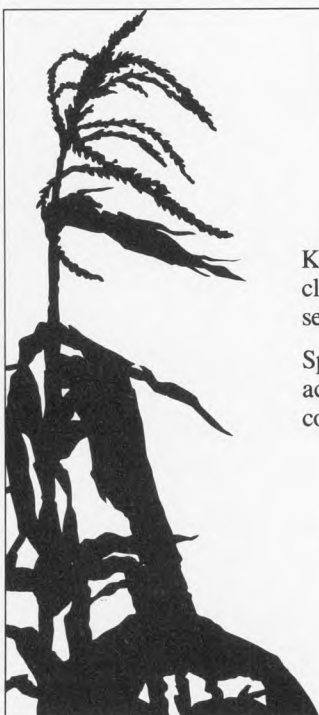
Farm Management Division

King Management Company offers professional, client-oriented, farm management and counseling service free from any fundamental conflict of interest.

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Members of American Society of Farm Managers and Rural Appraisers and Farm & Land Institute



NABW Convention Scheduled

The National Association of Banking Women's state convention will be held May 14-16, 1986 at the Downtown Holiday Inn, Iowa City. The theme for this year's convention is "Managing for Profit-The Key to Power." Convention features include humorous and informative speakers, a legislative panel, workshops, a theatre production, and banquet hospitality. The convention is being hosted by the Southeast Iowa Chapter of the National Association of Banking Women, and they invite everyone who is interested to attend. For further information contact Patti Johnson, publicity chairman, Iowa State Bank and Trust Company, Iowa City.

Changes Announced in Wellsburg

Leland D. Luwe, chairman of the board of Peoples Savings Bank in Wellsburg, has resigned his position effective December 31, due to health reasons. He has been chief executive officer since 1959. At the time of his employment as vice president and cashier he was an officer of the First Galesburg National Bank and Trust Company of Galesburg, Ill. He was promoted to president in 1976 and became chairman Jan. 1, 1985.

The bank has also hired a new loan officer, Dennis Severson. He previously worked with the Production Credit Association and the Federal Land Bank in northeast Iowa.

Changes Announced in Manchester

On December 4, W.K. Wiewel resigned as chairman of the board and president of First State Bank, Manchester, after serving with the bank for 28 years. At the same time, L.W. Justice and E.R. Widner also resigned as directors.

W.K. Wiewel is succeeded by his two sons, Joseph Wiewel as chairman and James A. Wiewel as president. Also recently elected to the board were Robert F. Emerson, Dr. Timothy Cooper and Thomas Hanson.

Somers President to Retire

Charles Petersen, president of the

Somers Savings Bank, Somers, has announced his intention to retire in February. He has been associated with the bank, which also has an office in Callender, for 25 years. He has been its chief executive officer for the past 19 years.

Changes Made in Eldora

Four staff changes have been announced at Hardin County Savings Bank, Eldora.

Raymond L. Nance, vice president farm management and trust officer, retired after 31 years at the bank. He remains an active member of the board of directors and will maintain his farm management business.

Linda L. Barcus has been promoted to trust officer. She has been with the bank since 1974, most recently as assistant trust officer. She will continue to manage the retirement savings programs as well as taking over Mr. Nance's trust responsibilities.

Donald Willits and Carl Stevens, both officer trainees, were hired during 1985 to augment the agricultural loan staff.

Added in Sioux Center

Lee Van Veldhuizen has joined the ag lending staff at the First National Bank of Sioux Center. He served as a claims adjuster for the Federal Crop Insurance Corporation, was employed by Schnept and Miller Insurance and Real Estate in Rock Rapids, worked for Porter Title Co., Inc. and was an ASCS fieldman for the U.S. Department of Agriculture. Mr. Van Veldhuizen has obtained master residential appraiser and master farm and land appraiser certifications from the National Association of Master Appraisers.

NEBRASKA NEWS . . .

(Continued from page 48)

Hosted by KBA/NBA

The KBA and NBA Schools of Banking, Inc. will host a "Commercial Lending School" April 7-11, 1986, at the Holiday Inn, Manhattan, Kansas.

The school is designed to address the educational needs of employees

with limited banking experience, bankers with lending experience, "seasoned" lending officers, credit analysts, loan documentation clerks, executive secretaries, and bank regulators.

Methods of instruction include lecture, discussion, and audio-visual presentations. An evening class and special case studies provide a unique opportunity for practical application of concepts learned.

Registration begins at 11:30 a.m. on Monday, April 7. An informal luncheon buffet will be available, and classes begin with an orientation at 1:00 p.m. The school session will adjourn at 2:30 p.m. on Friday, April 11, following a graduation luncheon and address.

Enrollment fee is \$700 for single housing, \$600 for double housing, and \$550 for no housing. This fee includes: registration, instruction, four nights lodging, continental breakfasts, lunches, coffee breaks, two dinners, one reception, and all classroom materials.

For additional information contact Jone Beer, administrator, Schools of Banking, Inc., Lincoln, Nebraska.

NBA and KBA Sponsor Banking School

The School of Banking Fundamentals, co-sponsored by the Kansas and Nebraska Bankers Associations, will be held March 17-21 at the Holiday Inn in Manhattan, Kansas. Applications are being accepted through Feb. 17 on a first-come, first-served basis.

The school is designed to introduce students to basic banking concepts as they relate to the overall functioning of a bank. It is directed toward those employees new to banking, those interested in broadening their banking knowledge, or those looking toward future positions of more responsibility in the banking industry.

The enrollment fee is \$650 for single housing, \$550 for double housing and \$500 without housing. It includes registration, instruction, breakfasts, lunches, coffee breaks, two dinners, one reception, and all materials.

For information about the School contact Ms. Jone Beer, The Schools of Banking, Inc., 525 S. 13th Street, Lincoln, Nebraska 68508, phone (402) 474-3313.



Statement of Condition

December 31, 1985

ASSETS

Cash and Due From Banks	\$ 39,637,647.05
Federal Reserve Funds Sold	37,100,000.00
U.S. Government and its Agency Securities	545,878,617.87
Municipal Securities	212,564,533.38
Other Marketable Corporate Obligations	2,049,889.65
Federal Reserve Bank Stock	1,122,000.00
Loans	231,958,244.98
Bank Premises and Equipment	11,259,816.12
Interest Accruals	25,689,390.87
Other Assets	9,903,149.74
	<u>\$1,117,163,289.66</u>

LIABILITIES

Capital Stock	\$ 2,400,000.00
Surplus	35,000,000.00
Undivided Profits	62,868,058.47
Total Capital Funds	<u>\$ 100,268,058.47</u>
Federal Reserve Funds Purchased and Securities Sold Under Agreement to Repurchase	278,757,235.98
Reserves for Interest, Taxes and Other Liabilities	21,234,158.39
Deposits	716,903,836.82
	<u>\$1,117,163,289.66</u>

BOARD OF DIRECTORS

V.O. Figge
Chairman of the Board

Edward L. Carmody
Senior Vice President

James Kahl Figge
Office of the President

John Kahl Figge
Office of the President

Thomas Kahl Figge
Office of the President

Mel Foster, Jr.
Pres., Mel Foster Co., Inc.

Thomas A. Gildehaus
Executive Vice Pres., Deere & Company

Richard E. Kautz
Senior Vice President

Joseph S. Kimmel, Jr.
Pres., Republic Electric Co.

Robert G. Lenertz
Senior Vice President

Lloyd G. Schermer
Pres., Lee Enterprises

Charles R. Von Maur
Petersen-Harned-Von Maur

Robert V.P. Waterman
Lane and Waterman

Henry C. Wurzer
Kahl Properties

Davenport Bank and Trust Company

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

203 West Third Street • Davenport, Iowa • 52801

Resources Exceed One Billion Dollars



Des Moines

THE board of directors of Northwest Bank Des Moines, N.A. recently elected a new chairman and president, effective immediately. The bank is the largest in Iowa with assets of \$1.4 billion and deposits of \$1 billion.

George F. Milligan, bank president since 1981, will become chief executive officer and chairman of the bank, posts previously held by **Harry C. Benson**.

Succeeding Mr. Milligan as president and chief operating officer will be **H. Lynn Horak**, who most recently served as executive vice president of commercial lending, treasury and retail banking. Mr. Horak also was elected to the bank's board of direc-

native of Vinton, has been with Northwest Bank Des Moines since 1972 when he joined the bank as a management trainee. He has held many positions within the bank, including correspondent banking officer and group vice president of investments and administrative services. He was named executive vice president and chief financial officer in 1981 and has held his present position as banking division head since 1983.

* * *

West Des Moines State Bank has announced the promotion of five officers and the election of a new officer.

Michele A. Gregory was promoted from second vice president to first vice president. She began her banking career in 1977 with First National Bank, Libertyville, Ill. In 1981 she joined West Bank, became assistant cashier in 1983, and second vice president in 1984.

Richard H. Kickman was advanced from first vice president to vice president. He held various positions at United Central Bank (now First Interstate) in Des Moines from 1974 to 1984. He joined West Bank as a first vice president in 1984.

David R. Milligan was promoted from first vice president-trust officer to vice president-trust officer. He joined the bank in 1980 in credit review, the trust department, and as in-house legal counsel. He was elected trust officer in 1981 and first vice president in 1984, while continuing in credit.

Rod S. Weikert was advanced from first vice president to vice

president. Prior to joining the bank in 1981, he was employed by Mutual Federal Savings and Loan in Mason City as a loan officer and later as director of marketing. After several promotions at West Bank, he became a first vice president in 1984, working in all phases of lending and responsible for management of the mortgage department.

Phyllis J. Brown was advanced from first vice president to vice president. She held bookkeeping positions prior to joining the bank in 1965 as a secretary. Her promotion to first vice president was in 1984. She serves as secretary to the president, secretary to the board of directors and secretary to West Bancorporation, Inc. She is also audit supervisor, is responsible for payroll and fringe benefits, supervises bond portfolio operations and is responsible for the majority of budgeting, monthly profit and loss statements, and tax computations.

Daniel L. McNace was elected assistant cashier. He joined the bank in 1977 in the bookkeeping department and since has held various positions both at City Center and at the Grand office.

* * *

Kenneth M. Myers, chairman and chief executive officer, announced today that First Interstate of Iowa, Inc. will increase its provisions for loan losses to \$7.3 million in the fourth quarter, 1985, compared to \$3.8 million for the same period in 1984, and to \$2.1 million for the third quarter of the current year. The increase in the provision for loan losses will result in the company's allowance for loan losses amounting to approximately \$12 million and in excess of 2% of loans, net of unearned income, at December 31, 1985. The company will report a net loss of approximately \$6 million for the 1985 fourth quarter and of over \$10 million for the year ended December 31, 1985.

Mr. Myers stated, "After giving due consideration to the continuing deterioration of the Iowa agricultural economy and to other relevant factors, management felt that it was prudent to increase the loan loss allowance to an historic high. This action further was influenced by the recent prediction that agricultural lenders will write off \$3.3 billion of loans to farm operators in each of 1986 and 1987. Our lead bank,



G. F. MILLIGAN

H. L. HORAK

Mr. Benson will continue to serve as banking group head for four other regions within the corporation.

Mr. Milligan served in the Iowa legislature from 1968 to 1974 as a state representative and state senator. A graduate of Washington and Lee University and Drake University Law School, he has been active in many community and civic organizations.

Mr. Horak, 39, a graduate of the University of Northern Iowa and a

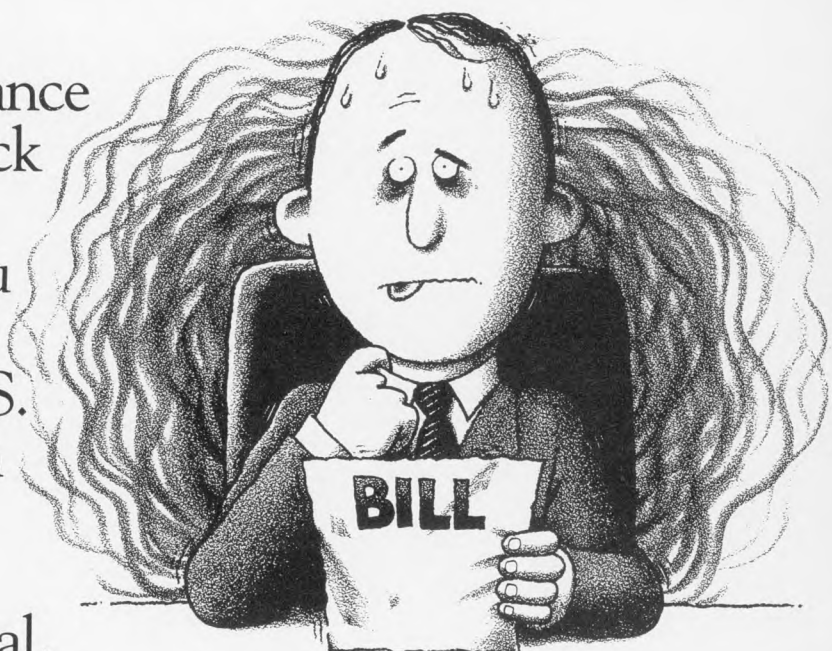
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located in Des Moines, enjoys a stronger economic environment and continues to operate profitably, with our agricultural banks suffering the greater impact of the adverse conditions."

* * *

Brenton Banks, Inc. announced December 20, 1985 that its board of directors voted to omit the company's regular cash dividend on 2,398,645 shares of common stock. Brenton Banks Chairman **William**

H. Brenton said, "This is a prudent approach to the continuing pressures and uncertainty of the Iowa economy, in particular the farming sector." By eliminating the dividend, he said, the company will further augment its capital position, and reduce its short-term debt at a time when capital strength of the company and its affiliates is most desirable. Future payments of dividends will be evaluated on a quarterly basis as earnings improve. Mr. Brenton further said, "The decision

to eliminate the dividend was the result of anticipated lower earnings performance due to increased loan loss provisions."

* * *

Raymond G. Johnston has been elected to the board of directors of West Des Moines State Bank, and **Sharen K. Surber** has been elected cashier.



R.G. JOHNSON

S.K. SURBER

Mr. Johnston was formerly associated with United Central Bank of Des Moines (now First Interstate) serving in various capacities including trust officer, senior vice president—commercial lending, and president and CEO until 1981. He came to West Bank from R.G. Dickenson & Co. and in 1984 was elected senior vice president—commercial lending.

Ms. Surber has had thirteen years of bank operation experience, eleven of which were at West Des Moines State Bank. In 1980 she was elected assistant cashier.

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For further information contact:

Kenneth D. Danilson, Vice President
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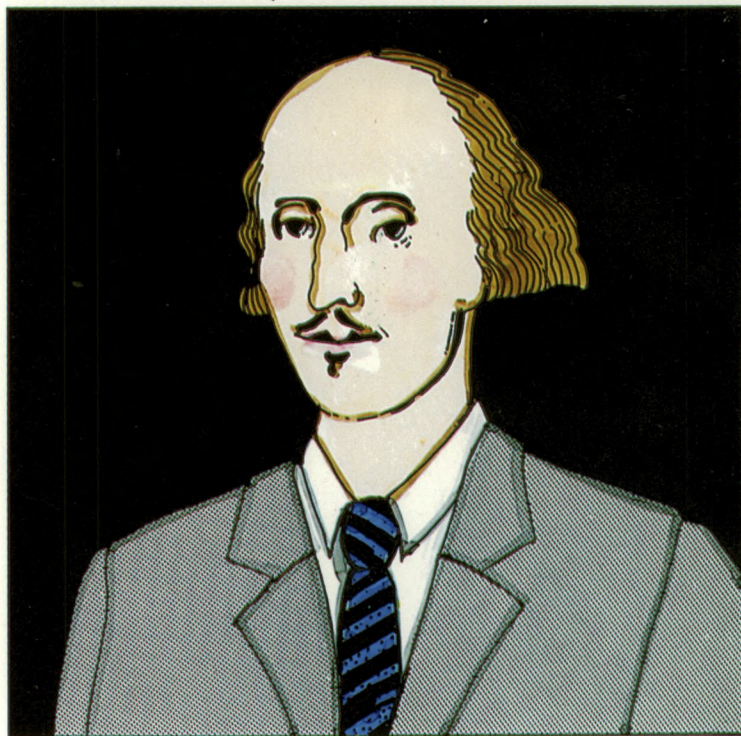
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*Shakespeare:
A Borrower, nor a lender be*



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