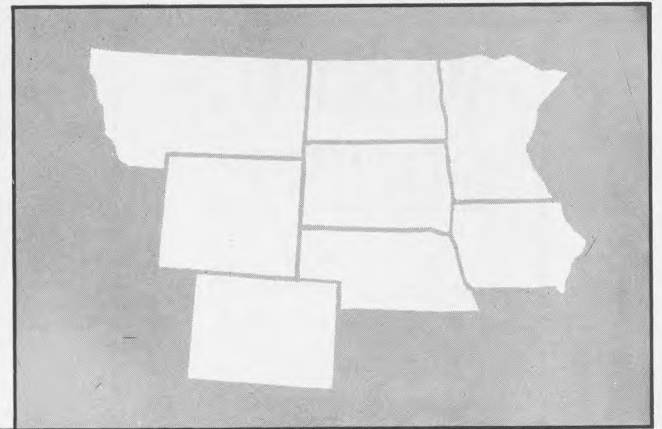


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1055

Des Moines, Iowa

September 18, 1967

Report Higher Earnings for Insured Banks

Area bankers will wish to compare their individual earnings records with the averages and totals recently released by the Federal Deposit Insurance Corporation for all insured commercial banks during 1966. FDIC Chairman K. A. Randall said that net income after taxes rose 6.8 percent above the 1965 figure to \$2,684 million.

The banks' current operating revenues were \$19,509 million in 1966, higher by 16.0 percent than in 1965. At the same time, current operating expenses of \$14,562 million were 16.6 percent above the 1965 level. Net current operating earnings rose by 14.2 percent to \$4,947 million.

Interest and other income on loans increased 18.6 percent in 1966 and accounted for slightly over two-thirds of total operating revenues. The average yield on loans rose to 6.32 percent from 5.97 percent in 1965.

Income from U. S. Government securities, comprising 11.9 percent of operating revenues, rose 4.2 percent, while income from other securities -- largely obligations of States and subdivisions -- climbed by 19.2 percent. In 1966 the average yield on securities was 3.73 percent, compared to 3.48 percent in 1965.

Among major items of operating expense, interest payments continued to lead in percentage rates

of increase, rising by 23.4 percent over 1965, while salaries, wages and benefits were up 9.5 percent. more than two-fifths of the banks' current operating expenses in 1966 represented interest paid on deposits. Interest payments amounted to 4.04 percent of average time and savings deposits, up from 3.69 percent in 1965.

The margin of charge-offs above recoveries and profits on assets sold expanded by more than 50 percent in 1966, and amounted to almost one-quarter of net current operating earnings for the year. The rise was attributable primarily to a \$455 million increase in losses on securities sold. After allowance for net charge-offs, net income before related taxes was \$3,714 million, up 4.8 percent from 1965.

Net after-tax income amounted to 8.70 percent of average capital accounts of insured commercial banks in 1966 compared to 8.73 percent in 1965. The rate of dividends paid increased to 4.24 percent of average capital accounts from 4.17 percent the year before.

BULLETINS...

MANKATO, MINN.: Three new directors were elected to the board of the National Bank of Commerce

September 5 to fill the vacancies left by the resignations of F. A. Buscher, R. J. Buscher and John Larson. Thomas P. Coughlan of Mankato, whose family recently obtained controlling interest in the bank, was elected president of the bank. Harold W. Schmidt, a member of the board for many years, was elected chairman of the board. Robert Strachan, executive vice president of the First National Bank, Bellevue, Nebraska, was elected cashier and joins the bank today, September 18. Arvid Evensvold, formerly a national bank examiner, has joined the bank as assistant vice president.

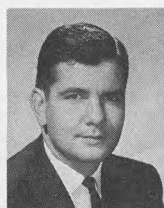
MUSCATINE, IOWA: The First National Bank of Muscatine has filed application with the comptroller of the currency to establish a drive-in banking facility at East Side Park Avenue, Park Plaza addition in Muscatine.

RED OAK, IOWA: The Federal Reserve System has approved the application of Hawkeye Bancorporation of Red Oak to become a bank holding company through the acquisition of 51% or more of the voting shares of Houghton State Bank in Red Oak.

RENO, NEVADA: A. M. Smith, Jr., has been elected president, and

(Continued on back page)

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CEDAR RAPIDS, IOWA 52406

IOWA NEWS

CEDAR FALLS: Donald Lindaman has been promoted from assistant vice president to assistant vice president and cashier at the Cedar Falls Trust & Savings Bank. Richard King has recently resigned and accepted a position with the First National Bank of Arizona.

CEDAR FALLS: Expansion of the motor branch of the First National Bank at College and 20th Streets was recently completed, providing additional lobby and teller space. President Hoyt Messerer announced that an open house will be held soon.

CEDAR RAPIDS: Fred W. Smith, vice chairman of the board of the



Bob Buenneke

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IOWA-DES MOINES NATIONAL BANK

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Merchants National Bank died recently at the age of 73. He had been with the bank from 1919 until his retirement January 1, 1967.

DAVENPORT: Former President of Northwest Bank and Trust Company Walter F. Meiburg died recently at 80 years of age. He joined the bank as a member of the board and vice president at its inception in 1941.

DES MOINES: Unusual National Bank Notes issued by local banks and signed by local bankers will be on display along with rare gold, silver and copper coins at the Iowa Numismatic Association convention September 23-24 at the Hotel Savery. Before 1935, national banks issued their own currency.

DES MOINES: Robert Reed has been elected assistant vice president and manager of the installment loan department at Bankers Trust Company.

GRINNELL: Grinnell State Bank presented its annual Farm Clinic last week. Dealing with the entire farm outlook, the program featured a talk by Agronomist Herb Howell of Iowa State University.

PELLA: The two Pella banks, Pella National and Marion County State, have announced increases in interest to be paid on time certificates. The interest rates will be 5% on 12-month certificates of \$1,000 or more, and 4½% on six-month certificates of \$1,000 or more.

RED OAK: The Federal Reserve Board has announced its approval of an application of Hawkeye Bancorporation of Red Oak to acquire at least 51% of the voting shares of Houghton State Bank in Red Oak. Hawkeye now owns majority voting stock of Lyon County State Bank, Rock Rapids.

ROCK RAPIDS: Lyon County State Bank, in conjunction with First Nebraska Securities, Inc., sponsored a commodities market information meeting in Rock Rapids last week. Special emphasis was placed on the cattle futures market.

WATERLOO: The National Bank of Waterloo will entertain its correspondent bank customers at a dinner at the Sunnyside Country Club tomorrow, September 19.

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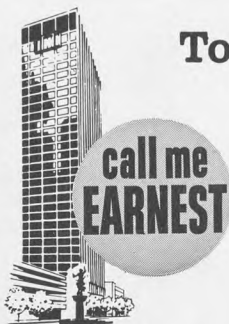
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WHITTEMORE: Thieves stole \$2,522 from the vault of the Farmers State Bank on September 6. The bank theft was part of a series of six break-ins which occurred in Whittemore on the same night. The theft at the bank was the first since John Dillinger and his gang held up the bank in the early 1930's.



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NEBRASKA NEWS

BEATRICE: The Nebraska Supreme Court set September 22 to hear oral arguments on the lawsuit challenging former State Banking Director Henry Ley's issuance of a charter to the Beatrice State Bank. The First National Bank and Trust Company of Beatrice contested the charter on grounds that the applicants were not incorporated. Lancaster County District Judge Elmer Scheele dismissed the action, but the Supreme Court has agreed to hear the appeal.

LOGEPOLE: A. C. Peterson, chairman of the First State Bank, is being honored for his 50 years in the banking business at a dinner to be held September 29 at the Fort Sidney Motor Hotel in Sidney.

MINNESOTA NEWS

ROSEAU: The grand opening of the new Citizens State Bank building was held last week. Featuring six teller windows, complete air-conditioning and a drive-up facility, the new building has approximately 5,070 square feet of space.

RUSHFORD: The Rushford State Bank recently observed its 100th anniversary, with an open house.

ST. CLOUD: St. Cloud National Bank celebrates its 50th anniversary this month by opening a TV drive-in and building addition. The 87 ft. by 30 ft. addition will house the trust department and officers. There will be an open house when the addition is completed.

ST. JOSEPH: First State Bank is in the process of remodeling its bookkeeping department and president's office. Also, modern fixtures are being installed in the lobby and working quarters.

WHEATON: Pete Muellenback has been promoted to vice president of the State Bank of Wheaton.

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Maynard Hoium has moved up to the position of cashier.

WINONA: Ronald R. Findlay of Augusta, Maine has been elected executive vice president and director of Winona National and Savings Bank, effective October 1. He has been vice president, trust officer and a member of the senior management committee at the First National Granite Bank of Augusta for the past five years.

SOUTH DAKOTA NEWS

HURON: The Annual Installment Credit Conference sponsored by the South Dakota Bankers Association will be held at the Hickory House Motor Inn in Huron, September 21.

NORTH DAKOTA NEWS

WILLISTON: W. S. Davidson, Jr., president of the American State Bank has announced that Bank Building Corporation of St. Louis will be commencing major remodeling in the main bank building in downtown Williston.

MONTANA NEWS

The schedule of Minneapolis Federal Reserve workshop meetings for Montana bankers is: Florence Motor Hotel in Missoula, September 19; Hotel Rainbow, Great Falls, September 20; and Northern Hotel, Billings, September 24.

HELENA: Paul D. Caruso has joined the staff of Commerce Bank and Trust Co. He was formerly associated with the First State Bank of Mineral County at Superior as executive vice president.

HELENA: C. Ike Lanning, assistant cashier at Union Bank and Trust Co. has received a diploma from the Pacific Coast Banking School in Seattle after completing a three-year course in advanced banking.

WYOMING NEWS


CASPER: Don C. Davis has been added to the staff of the Wyoming National Bank as assistant vice president in the investment services department. He comes to Casper from Rangely, Colorado,



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where he was vice president of the Bank of Rangely.

COLORADO NEWS

DENVER: U.S. National Bank President Neil F. Roberts has announced the election of the following officers: Charles Derby, data processing; Gene Garner, personal trust; Jerry Moore, loan officer, and Patrick Owen, assistant trust officer.

DENVER: D. L. Day, Jr., has been promoted to cashier, and William Scarlett has been appointed assistant vice president, operations division, at the American National Bank.

DENVER: James Durkin, senior vice president of the Colorado National Bank, recently observed his 50th year as a banker and as a Colorado National employee. In Mr. Durkin's honor the bank declared September 1 as "Jimmy Durkin Day." A special 10 by 15 foot flag flew over the bank's main entrance, and all employees wore special badges. A special reception for Mr. Durkin was also held. Mr. Durkin began in 1917 as a bank messenger, and was first elected an officer in 1941. He was elected to the board of directors in 1956 and was named senior vice president in charge of banking and corporate relations in 1962.

BULLETINS...

(Continued from front page)
chief executive officer of the First National Bank of Nevada, which

has its head office in Reno and 31 other offices throughout the state. Mr. Smith succeeds H. E. Fritz, who is retiring, effective November 1. Mr. Smith has been president of the Bank of Nevada, headquartered in Las Vegas, where he began his banking career as a teller in 1945.

WASHINGTON, D.C.: Public holding of Series E and H savings bonds gained \$73 million in August, the Treasury has reported. It brought the total amount outstanding to a record level of over \$51 billion. August shares of the new Freedom shares savings notes were \$8.7 million. Cumulative sales since May 1 of the new securities -- which are sold only in combination with Series E bonds to purchasers enrolled in a regular plan -- total \$14.9 million. Cash sales of Series E and H bonds during the month totaled \$392 million, while redemptions at cost price were \$379 million, leaving a net increase, at cost price, of \$13 million.

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MANAGING OFFICER - age 33, college grad., seven years banking exp., \$15,000 salary range...

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