

## Major Banks Still Have Troubles

INTERNATIONAL markets continue to cause problems for major money center banks of the United States. The Comptroller and the Federal Reserve have sent letters to a number of major banks in which, it was stated, the regulators made more clear the basis on which they want non-accruing loans carried on the bank books. The non-accrual loans, those with interest more than 90 days overdue, are stacking up at the major banks, but apparently are not being carried fully as non-accrual.

In question is whether certain of those loans are genuinely non-accrual or are well secured and collectible.

Loans to Argentina are the focal point of current negotiations, with that nation balking at entering into an agreement with the International Monetary Fund. Fed Chairman Paul Volcker made it known the Fed will not issue any guarantees unless the signing takes place. If it doesn't, U.S. banks with Argentine loans would have to carry the overdue loans as non-accrual.

Estimates for domestic non-performing loans which are still shown as accruing interest range from 33% at one California bank to 20% for other banks. On the low range are several major banks showing only 1.3% non-accruing loans up to 5%.

Prices of major banks stocks

tumbled in recent days after the problems of Continental Bank became known worldwide. Nervousness in international markets has caused the U.S. banks to pay more for their European CDs, with their previous spread advantage almost disappearing. Consequently, the less favorable rates for selling CDs has meant a sharp pull-back by many of the U.S. banks from what had been an easy, favorable source of funding.



On the domestic front, the Senate Banking Committee was to have the Garn Bill committee print available late last week. In the House, the St Germain-Wylie loophole closing bill was amended. Heads of the federal regulatory agencies—The Fed, Comptroller, FDIC—and Treasury Secretary Donald Regan all appeared before the committee to voice their concern over the bill re-regulating banks but failing to offer expanded powers to compete with non-bank banks.

Following Secretary Regan's tes-

timony, the House bill went into markup with changes from the previously restrictive, loophole closing language that authorized no additional powers. These changes were made:

- Dropped the provision to ban discount brokerage for financial institutions.

- Added a provision to prevent banks from ever offering investment advice.

- Grandfathers existing nonbank banks as of January 1, 1983. All after that would be subject to divestiture if the bill is not further modified. (This divestiture apparently would include all nonbank applications approved by the Comptroller in '83 and '84, including the four recently approved for Dimension.)

- Would benefit S&Ls by emasculating the qualification for thrift lenders that would require 65% of S&Ls assets to be in mortgages or mortgage securities.

It was still debatable last week whether either or both bills would be voted on this term. If they are, it appears certain they will go to the conference committee for resolution of the diverse aims and language.

While Congress debates whether to close interstate banking loopholes, Nebraska Banking Director Roger Beverage has scheduled a July 18 hearing into Citicorp's opening of three offices in Omaha to solicit deposits for its subsidiary Citicorp Bank of Sioux Falls, S.D. □

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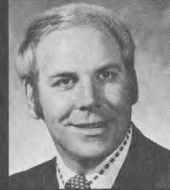


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### BMA Sales Workshop Scheduled for Chicago

A sales management workshop titled, "Improving Selling Effectiveness in Banking," will be conducted June 28-29 at the Drake Hotel in Chicago by the Bank Marketing Association. This is the last of four such workshops presented around the nation in June.

At the workshops, Leonard L. Berry, professor of marketing and Charles M. Futrell, associate professor of marketing, both at Texas A&M University, College Station, will present their findings from a major research project they undertook on the critical success factors needed to develop a "bankwide" sales program. The findings will re-

port on the essential components of any sales program—corporate, retail trust, small bank or large bank, and will give a "blueprint for action for banks to follow in developing a sales program or revitalizing an existing one," according to Dennis J. Hillen, BMA director of training and professional development department.

The Chicago workshop is co-sponsored by the Northern Illinois Chapter of BMA. Contact Mr. Hillen at BMA headquarters in Chicago (312 782-1442) for further information.

### Bank Directory Correction

The toll free number on the United Missouri Bank of Kansas City, n.a. ad on page 217 of the 1984 *Iowa Bank Directory* and page 48 of the 1984 *Nebraska Bank Directory* has been changed.

The new toll free number is 1-800-821-2171. Please make note of this change.

### Iowa News

**CANTRIL:** The Van Buren Bancorporation, Keosauqua, has purchased controlling interest in the State Savings Bank of Cantril, with offices in Pulaski and Milton, from Mona G. Norris of Cantril. The Van Buren Bancorporation also purchased \$750,000 in additional shares of the State Savings Bank. Assets of the bank are \$15 million. The Van Buren Bancorporation also owns Farmers State Bank in Keosauqua.

**CRESTON:** In a joint announcement, H.C. Houghton, president of First National Bank in Creston, and Paul D. Dunlap, president of Hawkeye Bancorporation, disclosed plans for the proposed acquisition of the bank by Hawkeye Bancorporation. Terms of the proposed cash acquisition were not disclosed. The acquisition is subject to regulatory approval.

**DENISON:** Thurman Aarestad, 80, retired Denison banker, died at the Crawford County Memorial Hospital June 2 after a lingering illness. Mr. Aarestad served as president of the First Northwestern National Bank from 1947-1969.

**DES MOINES:** John A. Sikkink, executive vice president at Norwest Bank Des Moines, N.A., is moving to Minneapolis to become senior vice president and manager of Norwest Electronic Delivery Systems, a subsidiary of Norwest Corporation. NEDS handles the marketing, sales and delivery of all Norwest electronic programs, including access to various nationwide networks.

**WINTERSET:** James W. Mease has been elected president of Farmers and Merchants State Bank here. He will assume his duties July 1. Formerly executive vice president, Mr. Mease succeeds Eugene W. DeRaad, who resigned to accept a position with United Bank of Arizona in the Mesa Regional Office.

### Nebraska News

**ARAPAHOE:** Well-known Arapahoe banker R. Finch Emmett, 92, died last month at the C.A. Mues Memorial Good Samaritan Center in Arapahoe, where he had been a resident for some time. Associated with the Citizens State Bank for over 70 years, Mr. Emmett served as an officer of the bank until 1972 and re-



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mained on the board of directors until January of this year.

- LINCOLN: Nebraska Attorney General Paul Douglas, who was acquitted recently by the Nebraska Supreme Court on a 4-3 vote, was indicted June 14 on charges of perjury and obstruction of government operations in connection with testimony he gave on his business transactions with the now defunct Commonwealth Savings Co., Lincoln, and one of its former officers. The secret indictment by a Lancaster County grand jury that was formed to investigate possible wrongdoing in Commonwealth's failure, resulted in Mr. Douglas' indictment on June 18. If the felony charge is sustained the 56-year old Attorney General could be barred from office.

- OMAHA: The recently chartered First Continental National Bank opened June 11 for business in its temporary facility at 5332 So. 138th St. in suburban Millard, then promptly changed its name after one day of business to River City National Bank. Ron Beran, 36, president of the new bank, said it was decided some time ago to change the bank's name, but it was easier to open under the charter name and change the name after one day than to refile papers prior to the opening. The bank opened with \$1 million capital and \$1 million surplus. Ron Sladek is vice president and Loran Harpin is assistant cashier.

### Wisconsin News

- John W. Johnson, president of Bank of Spring Green, began his term as president of the Wisconsin Bankers Association following their annual convention held June 10-13 in Milwaukee. He succeeds William J. Morrissey, president of the Independent Bank, Elkhorn. Dean A. Treptow, president of the Brown Deer Bank, was advanced to vice president. The new treasurer is Richard J. Roesler, president of the First National Bank, Platteville.

- BARABOO: Greg L. Lindner has been elected executive vice president and a director of Baraboo National Bank. Previously vice president at the bank, Mr. Lindner currently serves as president of the Sauk County Bankers Association.

- LAKE MILLS: Todd Schneider has been appointed vice president of the Bank of Lake Mills. He previously

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was in charge of the Lake Mills operation of Commonwealth Credit Union.

WAUKESHA: The Marine Bank of Watertown has consolidated with Marine Bank West, according to George R. Slater, chairman and CEO of the Marine Bank Corporation. The consolidated bank, which will be based in Waukesha, is part of a plan announced in 1982 to merge 22 Marine banks into 10 facilities. Philip J. Loritz will continue as president of the Watertown office and all other Watertown officers will continue in their present capacities.

### Wyoming News

Robert T. Noel was elected president of the Wyoming Bankers Association for the 1984-85 year during the annual convention business session June 14 at Jackson Lake Lodge, Moran. Mr. Noel is president and chief executive officer of Wyoming National Bank of Casper. He succeeds Don H. Babbitt, president, Stockgrowers State Bank, Worland. New first vice president is Hale Kreycik, president, Converse County Bank, Douglas. N.P. VanMaren, Jr., president, Hilltop National Bank, Casper, was named second



## Iowa Independent Bankers Annual Convention

### July 19—July 21

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#### Featured Speakers Include:

- Alice Rivlin, Director of Economic Studies, Brookings Institution, Washington, D.C.
- Patrick Buchanan, political strategist and syndicated columnist, Washington, D.C.
- Dr. William Freund, Senior Vice President, New York Stock Exchange, Inc.
- Dr. Karl Scheld, Senior Vice President, Federal Reserve Bank, Chicago
- IBAA President Jack King, Kalispell, Montana
- Bonnie Peterson, President, Nebraska Independent Bankers and President, Campbell State Bank, Campbell, Nebraska.

#### Panel:

- "The Farm Economy In Congress"
- Rep. Berkley Bedell and Rep. Cooper Evans

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- AFI Equipment Leasing Program
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4 vice president.

M. Clare Mundell, executive director the past 12 years, retired following the convention and was elected honorary executive vice president of the WBA. The new executive director is Gretchen Tea, formerly of Montana Bankers Association. Complete details and pictures appear in the July NORTHWESTERN BANKER.

SHERIDAN: Effective July 9, affiliate banks of Commerce Bankshares, Sheridan, will change their names to include First Interstate, under a recent franchise agreement. The banks and their new names are: Bank of Commerce - First Interstate Bank of Sheridan; Security Bank, Sheridan - First Interstate Bank of Sugarland; Security Bank of Buffalo - First Interstate Bank of Buffalo; Security Bank of Gillette - First Interstate Bank of Gillette, and First National Bank of Greybull - First Interstate Bank of Greybull, N.A.

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**CASHIER**—\$20 million central Iowa bank near Ames and Des Moines. Should have a minimum 3-5 years bank experience. Would also make loans. Salary based on ability and experience. Good fringe benefits. Write file WBM, c/o Northwestern Banker. (PA)

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Vol. 13 No. 10 Northwestern Banker Newsletter (USPS 873-300) is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309, (515) 244-8163. Subscriptions \$1.00 per copy, \$15.00 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579), manuscripts, mail items to above address.