

# NORTHWESTERN Banker Newsletter

Vol. 16 No. 15

Des Moines, Iowa

July 27, 1987

## Bank Earnings Rise by 4.56 Percent

**T**HE BOOMING East Coast economy, coupled with improvements in the Midwest, spearheaded a 4.56 percent first-quarter earnings increase for U.S. banks over the same period last year. Yet the overall profit rise masked fundamental problems, particularly relating to Third World loans at major money-center banks, according to Sheshunoff & Co., a leading information and consulting firm for the banking industry.

Several agricultural states showed a turnaround in bank performance. Iowa, for example, had the quarter's largest earnings increase versus the first quarter of 1986, 108.13 percent, of any state, while Nebraska and Idaho had increases of 44.30 percent and 31.17 percent, respectively. It was noted that these profit increases reflect the extremely low earnings in those states during the corresponding period last year.

"The apparently strong earnings for the first quarter were actually not indicative of what to expect for the rest of the year because many banks were starting to experience increasing weakness with domestic commercial and real estate loans," said Alex Sheshunoff, president of Sheshunoff & Co.

"These problems, accompanied by major difficulties with loans to Third World countries, severely

cloud the profitability outlook for the banking industry in the second quarter and the rest of the year," said Mr. Sheshunoff, adding that many thousands of banks, nonetheless, will perform extremely well for 1987.

Total earnings before extraordinarily items for the first quarter were \$5.19 billion for all 14,009 federally insured banks, compared with \$4.96 billion for the same period last year.

One of the industry's key future indicators, non-performing loans, which rose by more than 10 percent in 1986, jumped 36.5 percent during the first quarter, from \$48.2 billion as of Dec. 31, 1986 to \$65.8 billion at the end of March. Of the \$17.6 billion increase in non-performing loans, \$14.4 billion — or 81.7 percent — was concentrated in the nation's 25 largest banks.

Consumer loans currently are performing significantly better than real estate and commercial loans. Of total non-performing loans, consumer loans comprised just 5.7 percent, while real estate loans came to 22.5 percent and commercial and other loans totaled 71.8 percent.

"It's the commercial and the real estate loans that are causing the problems, not the consumer loans," Mr. Sheshunoff said. "However, overexpansion in credit card and home equity lending—particularly

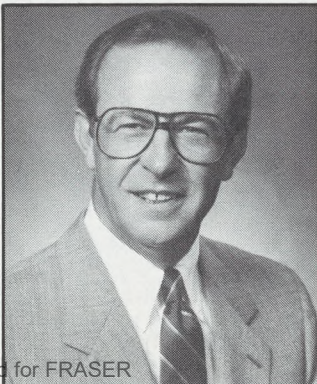
where it is based on soaring residential real estate values—are the sort of excesses that will come back to haunt borrowers and lenders in the future."

The growing magnitude of non-performing loans underscores the more threatening problem of the enormous U.S. government, corporate and individual debt, which totals roughly \$7 trillion, said Mr. Sheshunoff.

"The growth of the U.S. economy has been fed and sustained by debt," he said, "and servicing it in the future will inevitably put increasing pressure on individuals and corporations — in the form of both higher taxes and burdensome debt repayment."

Reserves for loan losses have increased steadily from \$13.2 billion in 1982 to \$28.5 billion for 1986, with the figure rising to \$29.3 billion for the first quarter of 1987. This increase does not reflect the major loan loss reserve additions by the major money-center banks in the second quarter to address their problem Third World loans.

"We definitely sense the beginning of a broad-based retrenchment in the willingness to borrow by individuals and corporations," said Mr. Sheshunoff, noting that total loans declined 1.1 percent from the previous quarter. "This reflects both increasing doubts about the fundamental strength of the economy and a widespread feeling that our debt



## Together We Can Accomplish Great Things

Call Terry Martin, MNB Correspondent Banker  
319-398-4320 or Toll Free 1-800-332-5991

The  
Strength of  
Eastern  
Iowa

Merchants National Bank   
Cedar Rapids, Iowa 52401 Member F D I C A BANKS OF IOWA BANK



Norwest Bank Des Moines, N.A.  
Call (515) 245-3131 or toll-free (800) 362-2514  
Member FDIC



Tom Quinlin

*Teamwork:  
one of the reasons  
we're first in Iowa.*



Jay Nichols

problems must be faced sooner or later. The larger implication here is that simply lowering interest rates in the future may not act as a stimulant for increased economic activity. It may merely result in refinancing of debt by individuals and corporations — not increased borrowing and spending.”

Bank failures for the first two quarters of 1987 have come to 95, plus five more banks who received federal assistance to avert failure. This is well ahead of last year's pace, which totaled 66 as of June 30, 1986 and 145 for all of last year. □

### Iowa News

Thomas M. Awtry has resigned as chairman of Group 12 in northwest Iowa to devote more time to his duties as president of Valley State Bank in Rock Valley. Moving up to complete Mr. Awtry's term as group chairman is James L. Cuttell, president, George State Bank, who is currently group secretary and was slated to become chairman at the 1988 spring meeting. A new secretary will be elected by Group 12 bankers.

DES MOINES: Lou Anderson has joined West Bank as a first vice president in the lending area. He has spent the last four years as a vice president with an Ottumwa bank. Prior to that he was a vice president with Bankers Trust Co. of Des Moines.

SPIRIT LAKE: L.A. Schultz, 35, vice president and chief loan officer of The State Bank in Spirit Lake, was killed in a boating accident on West Lake Okoboji on July 15. He was son-in-law of Bank President and CEO Chuck W. Wetzeler.

WATERLOO: The Waterloo Savings Bank has announced the appointments of E. James O'Connor as the bank president and new member of the board, and Frederick Koch as president of the Metro Bancorporation. Mr. O'Connor joined the bank in 1950 and most recently was executive vice president. Mr. Koch joined Waterloo Savings Bank in 1957. He will continue to serve as the bank's senior vice president and trust officer.

### Nebraska News

OMAHA: Four have been named vice presidents at FirstTier Bank Omaha. Ronald H. Bielenberg joined the bank in February and is the city executive for the Kearney facility. Nancy K. Johnson has been with the bank since 1973 and is a personal trust administrator III in the estate and trust division. Mark J. Matthes is division manager of the newly created operations division. Last month he transferred from FirstTier Bank Lincoln, where he was vice president and operations manager. John S. Morris was also promoted to vice president. He

transferred in 1986 from FirstTier Management Consultants where he was a senior field consultant.

### Minnesota News

The Minnesota Bankers Association has announced its 1987 District Meetings. The meetings will feature a special afternoon program followed by a reception, dinner, and evening speaker, except District 3, 4 and 5 which will feature a reception only. Dates and locations are: 1—Sept. 8—Kahler Hotel, Rochester; 2—Sept. 9—Orchid Inn, Sleepy Eye; 7—Sept. 10—Kandi Entertainment Center, Willmar; 3, 4, 5—Sept. 14—Sheraton Inn Northwest, Brooklyn Park; 8—Sept. 22—Regency Inn & Conference Center, Hibbing; 9—Sept. 23—Best Western, Thief River Falls; 6—Sept. 24—Holiday Inn, Brainerd.

BLOOMINGTON: Joseph M. Welle has been named vice president of MetroBank Bloomington. He previously held several positions with the First Banks, most recently as a commercial loan officer at First Bank Security. He had been with First Banks since 1977.

MINNEAPOLIS: John L. Matyi has been appointed senior vice president of the loan administration department at Norwest Business Credit, Inc. He replaces Lee Mork who recently retired after 13 years with the company. Mr. Matyi previously served for eight years at Norwest Bank Minneapolis.

ST. PAUL: Colleen C. Lamey has been elected vice president/senior operations officer at St. Anthony Park State Bank. She most recently was accounting supervisor at American National Bank of St. Paul.

### Illinois News

CHICAGO: William S. Ogden, chairman and CEO of Continental Illinois Corporation and a director of its subsidiary, Continental Illinois



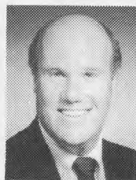
There is A Difference In Banks...

**Valley National Bank**

Main Office - Sixth and Walnut  
DES MOINES, IOWA 50304

A BANKS OF IOWA BANK  
Member FDIC

For Professional Correspondent Service  
Call 1-800-622-7262



JAMES F. MacLEAN  
Vice President



H. PETER DeROSIER  
Vice President

**agri CAREERS, INC.**  
AG BANKING PERSONNEL SPECIALISTS



Jean 712/779-3567  
Massena, Ia. 50853



Annette 515/394-5827  
New Hampton, IA 50659

**Confidential. Employer paid fees**

---

---

# IOWA BANKERS

---

---

## PROBLEMS WITH YOUR BANK'S BOND?

*ARE YOUR UNDERWRITERS DEMANDS EXCESSIVE?*

*HAVE YOUR PREMIUMS SKYROCKETED?*

We have been solving Bankers bonding problems for over  
75 years . . . AND AT THE LOWEST POSSIBLE PREMIUM!



CALL OR WRITE

## **IOWA BANKERS INSURANCE AND SERVICES, INC.**

104 EAST LOCUST STREET

DES MOINES, IOWA 50308

1-800-532-1423 or (515) 286-4344

## **KANSAS BANKERS SURETY COMPANY**

P.O. BOX 1654

TOPEKA, KANSAS 66601

(913) 234-2631

---

# **SOUTH DAKOTA BANKERS**

---

## **PROBLEMS WITH YOUR BANK'S BOND?**

*ARE YOUR UNDERWRITERS DEMANDS EXCESSIVE?*

*HAVE YOUR PREMIUMS SKYROCKETED?*

Are you **FORCED** to write one type of insurance with a company at a higher premium, just so they will write another type of policy for you?

**IF SO... PLEASE CONSIDER THIS**

We have been solving Bankers bonding problems for over 75 years . . . **AND AT THE LOWEST POSSIBLE PREMIUM!**

CALL OR WRITE

**KANSAS BANKERS SURETY COMPANY**



P.O. BOX 1654  
TOPEKA, KANSAS 66601  
(913) 234-2631

# FirstTier<sup>SM</sup> Correspondent Services

More of what it takes  
to serve you well.



**FirstTier<sup>SM</sup> Banks**  
Lincoln • Omaha

FirstTier Bank, N.A., Lincoln and FirstTier Bank, N.A., Omaha, Members FDIC

National Bank and Trust Company, will resign those positions on Aug. 13. He will also resign as a director of Continental Illinois Corporation and as president and a director of Continental Illinois Holding Corporation. No replacement has been named.

- Mr. Ogden's responsibilities will be assumed by John E. Swearingen, Continental Illinois Corporation chairman and CEO. Mr. Swearingen will remain in his present posts with Continental Illinois until a new management team is selected. Mr. Ogden was asked by U.S. banking regulators to join Continental in 1984. Prior to that, he served for 31 years at The Chase Manhattan Corporation.

## Wisconsin News

- MILWAUKEE: Two months after assuming the position of executive vice president at University National Bank, Mark Zalewski has been promoted to president. He replaces Phillip Hudson, who has retired. Mr. Zalewski has been in banking administration 15 years and previously served as the president of two banks in Madison.

## North Dakota News

- FARGO: Harlee Olafson has been promoted to vice president/business banking at Norwest Bank Fargo. He previously served as assistant vice

president. Mr. Olafson joined Norwest in 1979 at Norwest Bank Valley City. He transferred to the Fargo bank in 1984.

## South Dakota News

The South Dakota Bankers Association 1987 Group Meetings will be held during September. Registration begins at 1:00 p.m. at each meeting. The program, which begins at 1:30, will feature a workshop by consultant Art Pulis entitled "Negotiations." There will be a reception at 6:00 and a dinner at 7:00. Dates and locations are: Group V—Sept. 14—Howard Johnson's, Rapid City; Group IV—Sept. 15—Wrangler Motor Inn, Mobridge; Group II—Sept. 16—Guest House, Watertown; Group III—Sept. 17—Holiday Inn, Mitchell; Group I—Sept. 18—Airport Holiday Inn, Sioux Falls. Fee is \$50 for the workshop and \$22 for the dinner.

## Wyoming News

CASPER: Affiliated Bank Corporation of Wyoming has announced several staff changes. At Norwest Bank Gillette, Richard M. Schell has been appointed vice president—loans. He was most recently with Norwest Bank Casper in commercial loans. At Norwest Bank Kemmerer, Conrad G. Flohr has been elected presi-

dent. He previously was senior vice president and cashier at Norwest Bank Gillette. Norwest Bank Casper has recently had O.K. Walkingstick join the staff as vice president—retail banking. He has experience at banks in Texas and Minnesota.

## Colorado News

ARVADA: Linda Brinson has been elected a vice president of Colorado National Bank—Arvada. She started with the bank in 1978 and has held various positions. She is responsible for accounting, customer assistance, bookkeeping, switchboard and proof departments.

LAKEWOOD: Stephen J. "Ched" Miller has been elected a vice president of Colorado National Bank—Lakewood. He joined the bank in 1974 as an assistant vice president and is currently responsible for commercial lending.

We Can Help With  
Your Employment Needs!

Specialists in  
Bank Recruiting  
and Consulting  
Since 1971



David L. Hansen, CCP

**HAMILTON  
ASSOCIATES**

100 Court Ave., Suite 306  
Des Moines, Iowa 50309  
515/282-0221

**FOR SALE**  
RECONDITIONED  
BRANDT Coin Sorters-Counters  
BRANDT Currency Counters  
New Warranty  
402-571-5577

Serving bankers quietly and efficiently.

**CAPITAL PERSONNEL SERVICE**  
714 First Interstate Bank Building  
Des Moines, Iowa 50309  
515-283-2545

## "THE RIGHT FIT"

*Banking Placement Specialist*

For Your Staff:

- Top Professional Bankers who are confidentially screened to find "The Right Fit"
- We recruit nationally through our over 200 independent affiliates as well as locally for our clients
- Contingency or Retainer Fee arrangements
- Contact Sue Lundquist or Mel Hansen, CPC Banking Specialists



Ells Personnel Systems  
1129 Plymouth Building  
Minneapolis, MN 55402  
612-333-1131

CELEBRATING OUR 75th ANNIVERSARY  
BY SERVING OUR BANKING CLIENTS WELL!

## POSITION AVAILABLE

Walker State Bank, Walker, IA seeks **CEO**. Insurance experience helpful. Friendly community. Good bank. Send resume to Terry Engelken, Iowa State Bank, Center Point, IA 52213. (319) 849-1838. (PA)

**BANK OFFICER**. Due to pending acquisition & promotion, an immediate opening exists for a lending officer. In confidence, contact Jerry Tack, VP, Hawkeye Bank & Trust, Mason City, IA 50401. (515) 423-2457. (PA)

**EXECUTIVE VP**. \$16MM bank, seeking an aggressive #2 person. The challenge involves working with loans, people, and a knowledge of bank operations. Send resume to Ivan D. Husa, Security State Bank, Stanton, IA 51573. (PA)

**TRUST OFFICER**. \$125MM bank has an excellent opportunity for a Trust Officer in a growing department. Candidate will be responsible for managing & expanding the current \$4.5MM assets. Preferred candidate will have a law degree with 1-3 years of trust experience. Send resume to Peoples Trust & Savings Bank, Box 279, Indianola, IA 50125 Attn: Personnel. EOE/M-F (PA)

Additional **AG LOAN OFFICER** with degree and some experience. NE Iowa County seat. \$47MM bank. Send resume to File No. WJR c/o Northwestern Banker. (PA)

**SR. LENDER** needed for recently acquired \$49MM bank. Position could lead to Pres/CEO. Looking for that aggressive & analytical leader. Send resume to File No. WJS c/o Northwestern Banker. (PA)

**SENIOR LOAN OFFICER** with 5 years plus experience. Solid rural bank. Advancement to CEO and stock purchase possible. Will help relocate. Salary open. Send resume and salary history to Charles J. Neuroth, EVP, Farmers Savings Bank, Remsen, Iowa, 51050. (PA)

## FOR SALE

Repossession of complete fixtures for a 4000 square foot clothing store include **CASIO 32** department electronic cash register. Purchased new in 1984. Original value \$12,500.00, will sell for \$5,000.00. Contact John or Frank, National Bank of Canby, Canby, MN, 507-223-7231. (FS)

**1 WHITE POWER FILE** for check size media & bank notes and **1 DIEBOLD POWER FILE** for 6x4 media (microfische). Call John Hrupek @ (402) 339-9671. (FS)

## Holder and Associates Specializing in the Purchasing and Sale of Banks

515-232-0814  
405 Main Ames, Iowa 50010  
**Donald E. Holder, Principal**

## POSITIONS AVAILABLE

**SR. OPS OFFICER**  
Growing bank wants 5+ year ops cashier-type. \$30K.

**COMM'L LENDER**  
Clean bank in metro area. 3+ years comm'l exp. New bus development. \$36K.

**AG LENDER**  
#2 person in small town bank will have chance to be #1. \$Mid-20's.

**SR. AG LENDER**  
Head-up strong department. 6 yrs ag and good mgmt skills for 2500 person town. \$40K.

**COMM'L HEAD**  
Take charge of \$20M portfolio and 3 lender dept. \$50K.

**AG LOAN OFFICER**  
Quit dreaming about a better job, take action! One of several great positions for 3-5 yr ag banker who would enjoy a position of responsibility in a rural bank. Will become president in near future, ops and insurance bkgd a plus. Mid-\$20's.

FOR FURTHER INFORMATION CONTACT KURT ROSENCRANTS



**ROBERT HALF  
OF IOWA, INC.**  
317 6th Ave, Ste. 650  
Des Moines, IA 50309  
(515) 244-4414

ALL FEES COMPANY PAID

## POSITIONS AVAILABLE

**AG LENDERS**—2-5 years exp. Degree preferred. \$45 million bank and \$80 million bank. North Central and East Nebraska. \$25K Range.

**TRUST DEPT. MANAGER**—Need 5-7 yrs exp. - J.D. Marketing a strong plus - 2 pos., Omaha & K.C. To \$50K.

**LOAN EXAMINER**—Need several yrs as examiner and some ag lending would help. Central IA. To \$35K.

All fees are paid by our client employers.

**Richard L. Beam, CPC**  
**GUMBERT EXECUTIVE EXCHANGE, INC.**  
11246 Davenport Street  
Omaha, NE 68154  
Phone: 402/330-3260  
Member National Personnel Associates  
We're Nationwide

## Estate Appraisals

## Purchase of Collections

## Sale of Rare Coins

Reliable and respected service  
for over 20 years

Used by bankers  
throughout the midwest

## Ben E. Marlenee Coins

913 Locust  
Des Moines, Iowa 50309  
515-243-8064

## DON & SCHOOLER JR. AND ASSOCIATES

"Successful Banking is Quality Personnel"

## POSITIONS AVAILABLE

**VICE PRES. COMMERCIAL REAL ESTATE**, 90,000,000 metro bank. 10 or more yrs. experience. Degreed. Technical expertise in analyzing, negotiating, documenting, perfecting, and dispensing. Background in multi-family, construction, shopping centers, strip centers, and subdivision. . . . . \$45-55,000 S&K options, ESOP, 401K, medical.

**COMMERCIAL HEAD**, 100,000,000 + metro. Degreed (major univ and top honors a plus.) Forward looking strong growth organization. Must want higher management position. Social and civic background must be strong. Likes business development. Trains lenders. . . . . \$50-55,000 + excellent benefits.

**V.P. & LOCATION MGR.**, #1 rated bank, strong respected organization. 80,000,000. Likes small towns. Dislikes poor credits. Good with new business contacts. Likes teamwork concepts. . . . . \$35,000 top benefits, good future growth.

**PRESIDENT**, 40,000,000 independent. Degreed. Complete & solid track performance in past. Small town lender in community projects. Solid relationship with regulators. . . . . \$50-55,000.

**SVP #2 OFFICER**, 75mm +. Degreed. Solid banking school. Hands on operations and accounting expertise. Solid community leader. A/L mngmnt, long range planning, cost control, budgeting, investing. Tandem leader with bank president. . . . . \$45-50,000 excellent retirement benefits, strong town.

**DON W. SCHOOLER**  
2508 East Meadow  
Springfield, Missouri 65804  
(417) 882-2265

## POSITIONS AVAILABLE

**BANK AUDITOR**—CPA/CIA or CBA with bank audit experience and supervisory skills. . . . . To \$28,000

**TRUST OFFICER**—Profitable financial group needs an experienced Employee Benefits Officer to provide leadership and serve as consultant for their member banks. Requires a blend of technical and business development. . . . . To \$45,000

**COMMERCIAL MORTGAGE**—Growing department looking for an experienced lender with the desire and dedication to achieve success. Degree plus 2-3 years experience. . . . . To \$25,000

**EDP AUDITOR** with two or more years EDP audit experience. IBM, DOS, MVS. . . . . To \$30,000

## Financial Careers, Inc.

Two Ruan Center/Suite 1000, Des Moines, IA 50309  
515/245-3786

Employer pays fee.

Please contact Lorraine Lear or Malcolm Freeland concerning these and other Midwest banking opportunities.

## POSITION WANTED

3 yr. **AG/COMMERCIAL LENDER** desires new opportunities. FmHA, FBA, workout & fin. stmt. analysis experience. IA, St. Univ. grad. Send replies to File No. WJU c/o Northwestern Banker. (PW)

## POSITIONS AVAILABLE

### SENIOR LENDER

Are you ready for the #2 spot in a S. Minnesota Holding Co. Bank? Excellent career building move! Great benefits! Must be degreed with 3+ years Com'l Lending exp. To \$45K. Job #NW2006.

### PRESIDENT

Do you feel passed over? A rapidly growing \$15MM independent bank located in S. Minnesota needs a president. Desire a proven manager with excellent lending skills. Must be able to operate independently in a decentralized environment. To \$38K. Job #NW2007.

### CASHIER

Does constant reorganization have you depressed? A \$70MM bank 1 hour N.E. of the Twin Cities needs a cashier to direct all operational functions. This position will manage all "Non-lending" areas. Must be degreed with 3+ yrs operation exp. & proven management. To \$30K. Job #NW2008.

FOR MORE INFORMATION  
CONTACT PAUL GENTZKOW  
OR JEAN TODD



**ROBERT HALF  
OF MINNESOTA, INC.**

3636 IDS Center  
Minneapolis, MN 55402  
(612) 339-9001

ALL FEES COMPANY PAID

## POSITIONS AVAILABLE

**COMML LOAN** - \$50MM suburban bank with excellent growth and earnings history. Handle majority of commercial credits. Report directly to President. \$38K

**CEO** - suburban de novo bank. Experience as CEO or COO required. Strong commercial loan and business development skills desired. Open

**LOAN REVIEW** - large urban bank affiliated with major midwestern holding company. Degree and 2-3 yrs. loan review/workout experience desired. \$30K

**TRUST OFFICER** - medium size community bank with growing trust dept. JD preferred but not mandatory. \$27K

**COMML LOAN** - \$100MM community bank. Supervise commercial lending function. Future advancement possible. \$45K

Additional positions available in midwestern states for experienced bankers.

## TOM HAGAN & ASSOCIATES

2024 Swift - Box 12346  
North Kansas City, MO 64116  
816/474-6874

"Serving the Banking Industry Since 1970"

Vol. 16 No. 15 Northwestern Banker Newsletter (USPS 873-300) is published weekly by the Northwestern Banker Company, 1535 Linden Street, Suite 201, Des Moines, Iowa 50309, (515) 244-8163. Subscriptions \$1.00 per copy, \$24.00 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address (Form 3579), manuscripts to Northwestern Banker, 1535 Linden St., #201, Des Moines, Iowa 50309.