NORTHWESTERN
Banker Newsletter

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MA President Cautions:

ıoans Need Close Attention in '88

By WM. H. SAYRE, President
Robert Morris Associates
Executive Vice President
Fidelcor, Inc. and Fidelity Bank
Philadelphia, Pa.

▪ HE significant drop in the stock market since August will cause ısiness and nsumers to ıuse and reflect ı how recent ents will affect em, their jobs, ıd the eco- omic environ- ent in general. ıis pause will eaken econom- activity in the .S. and abroad but should not be ıfficient to cause a recession. This ill affect the banking environment - particularly the priorities of com- ıercial lenders.


W.H. SAYRE

The economy is expected to ex- and at a 2% real growth rate in the ırth quarter of 1987 and then slow ı approximately 1% growth in the rst half of 1988. Following this, the conomy is expected to regain rength and resume a 2.5% to 3% rowth rate in the second half of the ear. However, the probability of a ecession in 1989 has risen as a result of the stock market crash and the reduced flexibility provided to the Federal Reserve.

Although the consumer and manufacturing markets in our country are so diverse and regionalized, our economy is now a subpart of a global economy. Moreover, financial markets have become international in scope. We now are paying the consequences of poor economic policies and "spend now, pay later" economic behavior on the part of consumers and the federal government. We finance government deficit spending through foreign creditors, our reliance on foreign imports, and the enormous trade and current account deficit. In addition, excess dollars are inadequately low saving rate (coupled with high saving rates overseas), and the creation in the private sector of significantly more debt have pushed us into an economic structure in which our ability to control our own destiny is diminished.

The players in credit markets have dramatically changed over the years and substantially expanded the source of loanable funds available to our customers. This means heightened competition for commercial bank lenders. Sources of credit that impinge on traditional commercial banking markets include commercial paper, Eurodollars, junk bonds, nonbank companies, and foreign commercial banks. For example, commercial paper now provides more than $80 billion to nonfinancial companies. So-called junk bonds provide about $157 billion in additional credit. Foreign banks as direct competitors also make loan volume very difficult to obtain.

The growth of loans over the last 12 months varies significantly from region to region. For instance, commercial and industrial loan growth for large commercial banks in the Boston, Philadelphia, Richmond, Atlanta, and St. Louis Federal Reserve Districts for the 12 months ending September, 1987, grew in excess of 12% compared with the national average of 5.3%; for New York, Cleveland, and Chicago Fed Districts in excess of 4.5%, and for San Francisco 2%. The Minneapolis, Kansas City, and Dallas Fed Districts showed declines.

While these figures for certain regions look healthy, don't be mesmerized: The gains since January, 1987, are significantly less. The Philadelphia, Atlanta, Richmond, and St. Louis Fed Districts showed gains above 2%, with none above 8%. Boston's growth was relatively unchanged while the others had declines ranging up to 17% for Dallas. This resulted in a net decline for C&I loans at large banks nationally of 4.1% since January. For all banks, C&I loans increased 1%, showing that smaller banks did reflect

growth — most likely due to their being the single source of supply.

It is interesting to note that real estate loans at large banks increased approximately 10%. I anticipate this real estate growth to moderate in 1988. To me, the recent pattern of less C&I loan demand, the belief that pension funds will shift from the stock market to debt issues, and the softening of our economic picture signifies a bleak loan demand picture in 1988. Stockholders expect earnings to grow. If loan demand is weak and spreads from increased competition are narrower, then gains will have to come from the reduction of expenses.

We as commercial lenders have a difficult challenge ahead. Our culture drives us to increase volume. However, before we decide to do that, we should stop, look, and listen and determine whether the judgments we make to maintain or gain volume are prudent. We should beware of lengthening terms, relaxing loan agreement standards, not insisting on collateral, or permitting our loan policy standards to slip. Let us not fall into the trap of issuing commitments to industries we don't know, or granting larger commitments than usual to single borrowers.

We should concentrate this year on reassessing the creditworthiness and resilience of existing and new customers to ensure that the portfolio does not deteriorate. □

Chicago Fed Schedules Expedited Funds Seminars

Seminars for financial institutions on Expedited Funds Availability proposals will be held at locations throughout the Federal Reserve Bank of Chicago's Seventh District during the month of January. Each four-hour seminar will address the key provisions of this critical Act, including schedules of funds availability, disclosure requirements, and the optional implications and responsibilities regarding the collection of checks.

Illinois: Contact Keith Motycka, 312/322-2195 or Diana Schwertfeger (2347). Two sessions each day—8:00 a.m. to noon and 1:00 p.m. to 5:00 p.m.
Jan. 4 & 5—Chicago A.I.B., Insurance Exchange Bldg., 22nd Floor (two days).
Jan. 6—Northbrook, Allgauers Hotel
Jan. 7—Oak Brook, Stouffers Oak Brook
Jan. 8—Harvey, Holiday Inn
Jan. 11—Rockford, Best Western - Cloc Tower
Jan. 14—South Bend, Ind., Marriott
Jan. 15—Joliet, Holiday Inn
Jan. 19—Springfield, Holiday Inn/Holidome
Jan. 20—Rantoul, Holiday Inn
Jan. 21—Peoria, Ramada Hotel

Iowa: Contact Kim Johnson, 515/284-8800 X239. If two sessions daily, same hours as above. If one session, it is 1:00 p.m. to 5:00 p.m.
Jan. 6—Sioux City, Hilton Hotel
Jan. 7—Ft. Dodge, Best Western Starlit Village
Jan. 8—Des Moines, Hotel Savery (2 sessions)
Jan. 11—Cedar Rapids, Stouffer Five Seasons Hotel
Jan. 12—Davenport, Blackhawk Hotel (2 sessions)
Jan. 13—Dubuque, Best Western Midway Motor Lodge
Jan. 14—Waterloo, Holiday Inn Civic Center
Jan. 15—Clear Lake, Best Western Holiday Motor Lodge
Jan. 20—Ottumwa, Days Inn.

Wisconsin: Contact Holly Silva, 414/276-2323 X250. One session each city, 7:30 a.m. to noon.
Jan. 11—Green Bay, Embassy Suites
Jan. 12—Madison, Concourse & Governor's Club
Jan. 14—Stevens Point, Holidome
Jan. 15—Milwaukee, Hyatt Regency Milwaukee. □

Iowa News

WATERLOO: At Waterloo Savings Bank, assistant vice presidents

In 1928, the U.S.A. won the Olympics, Amelia Earhart became the first female pilot to cross the Atlantic Ocean and United Missouri opened its Investment Banking Division.

United Missouri Bank announced Investment Banking Services in '28. It didn't make national headlines. It did make a difference.

Since then, United Missouri has helped thousands of banks build their investment portfolios.

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David A. Fegley, Randall G. Ledger and James H. Jensen were promoted to vice presidents. They serve in real estate lending, ag lending, and Metro Realty and farm management respectively. Controller Rick A. Thuesen was also promoted to vice president.

Nebraska News

The Nebraska Independent Bankers Association will host its Legislative Dinner for members of the Nebraska legislature on Monday, January 11, at 6:30 p.m. in the Nebraska Club in downtown Lincoln. NIBA members from over the state have been invited to make reservations with the NIBA office in Lincoln to attend this important dinner. Speaker of the Legislature Bill Barret, Lexington, will make brief comments and introduce state senators and their spouses. NIBA President Jim Bohart, vice president and cashier of Harvard State Bank, will preside at the dinner.

* * *

The Nebraska Bankers Association will offer its 1988 Lending Conference, "The Key to Profitability," on January 20-21 at the Kearney Holiday Inn. Banking consultant Art Pulis will speak and there will be a number of breakout sessions. Banker/humorist Steve Farson will be dinner speaker and address the topic of stress. Schedule on the 20th begins with registration/continental breakfast at 8:30 and ends with dinner at 6:00. The session on the 21st is from 8:30 to noon. Fee is $110 and the cost for guests to attend the dinner is $20. Contact the NBA to register.

Minnesota News

Thomas P. Schepers has been appointed vice president—education of the Minnesota Bankers Association. He previously served as training and development officer for First Bank System.

MINNEAPOLIS: Norwest Corporation will merge all 17 Norwest banks in the Twin Cities metro area into a single bank today, January 4. Also being merged are all Norwest banks and a trust company in North Dakota into one bank, and three banks in northwestern Minnesota into one bank. The Twin Cities Bank, called Norwest Bank Minnesota, N.A., will have total deposits of about $5.5 billion, and a lending limit of $95 million.

MINNEAPOLIS: At Resource Bank & Trust, Greyton I. Becker has been promoted to senior vice president. He previously served as vice president, corporate secretary for Resource Companies and Resource Bank & Trust. He joined the company in 1975.

ST. PAUL: Among recent promotions at American National Bank was the advancement of Ronald W. Duffey to vice president—bonds & investments. He joined the bank as assistant vice president in that department in 1975 after over 30 years with First Bank St. Paul.

Wisconsin News

MILWAUKEE: First Wisconsin Corporation will acquire Rose Holding Co., a one-bank holding company in Roseville, Minn., following regulatory approval. This is the third bank acquisition agreement First Wisconsin reached in Minnesota in 1987. Terms call for First Wisconsin to pay $19.2 million in First Wisconsin common stock for the $127 million Roseville Bank in Roseville.

Wyoming News

SHOSHONI: The FDIC has approved the transfer of insured deposits and fully secured or preferred deposits of the First State Bank at Shoshoni to First State Bank of Thermopolis. The $5.1 million asset Shoshoni bank was closed on December 18. No bids were received for the failed bank.

WANT ADS—Rates are $5.00 per line per insertion. Add $5.00 for file letters per insertion. Identity of file letter advertisers **cannot** be revealed. **NORTHWESTERN BANKER, 1535 Linden Suite 201, Des Moines, Iowa 50309. Phone 515/244-8163**

POSITION AVAILABLE

SR. LENDER needed for recently acquired $43MM Bank. Position could lead to PRES/CEO. Looking for that aggressive and analytical leader. Send resume to File No. WLV c/o Northwestern Banker. (PA)

EXECUTIVE VICE PRESIDENT for expanding suburban/rural bank. Looking for that individual that likes smaller communities that are within a reasonable distance of a major metro area. Salary commensurate with experience. Send resume to File No. WLW c/o Northwestern Banker. (PA)

COMMERCIAL LOAN OFFICER—$300MM bank. Iowa. Requires 2-5 years commercial lending experience & formal training in same. $25-$32,000. Contact File No. WLK c/o Northwestern Banker. (PA)

SENIOR LOAN OFFICER with experience in commercial real estate and SBA loans. College community. Send resume to File No. WLT c/o Northwestern Banker. (PA)

AG/COMM. LOAN OFFICER. 3-5 yrs. experience in ag lending and general banking. Western Neb. bank. Send resume to File No. WLU c/o Northwestern Banker. (PA)

FOR SALE

PORTABLE BANK BUILDING. 14' x 65' with Mosler vault & drive-up equipment + miscellaneous other equipment. Contact Wilton Savings Bank, Wilton, IA (319) 732-2077. (FS)

Paul W. Olander Company
Bank Stock Appraisals
and Loan Reviews
1073 Plummer Lane S.W.
Rochester, MN 55902
(507) 285-9271

INSURANCE

Insurance and lending. Minn. bank. Excellent potential! $25-$35,000.

CEO

N. Iowa bank. Ownership potential. Good town. $40-$50,000.

CONTROLLER

Seek person with bank controller and operations experience. N. Ill. $30-$40,000.

AGRIcareers, Inc.

Marty 712/779-3567
Massena, IA 50853

Annette 515/394-5827
New Hampton, IA 50659

BANKERS AVAILABLE

SR LOAN OFFICER

Tireless performer has overseen all lending in prosperous $42M bank looking to move ahead. Seasoned manager currently has $16M portfolio that covers all aspects of community banking. Degreed, several banking schools. $43K.

CASHIER

Efficiency expert! Has worked all over the bank to lower costs and increase profit. Dead-end in current position due to lack of opportunity, ready to move ahead. $27K.

CREDIT ANALYST

Outstanding credentials. Broad range financial background that includes 2+ years in loan review and analysis. Trained in holding co. environment and currently working with the latest software available. $22K.

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

TRUST INVESTMENT OFFICER

Northeast Iowa bank seeks an experienced trust investment officer to manage client portfolios in its $140MM Trust Department. The position has investment responsibility for some 300 discretionary accounts, including personal trusts, managed and advisory agencies, employee benefit accounts and common trust fund totaling approximately $55MM.

This highly visible position requires six or more years experience in equity and fixed income portfolio management, preferably in a trust department. Excellent written and oral communication skills are required, and a MBA or CFA is preferred. Business development is an integral responsibility.

Excellent compensation and benefit package commensurate with experience. Forward resume, including salary history to File No. WML c/o Northwestern Banker. (PA)

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CANDIDATES OF THE WEEK:

SR. LENDER - Degree and nearly 8 years in banking with strong commercial and ag skills. Presently #2 in bank over $100 million - a cash flow lender who knows the tools. Very community conscious.
$ to 50K (incentive oriented).

AG LOAN OFFICER - B.S. Ag Economics with distinction and over 5+ years ag loans (sat on loan committee for all loans) and attended commercial lending school. Big system trained. Super references. $25-30K.

Members of a nationwide recruiting network for top selection.

Contact our Bank specialists
Sue Lundquist
Mel Hansen CPC

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

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

POSITIONS AVAILABLE

AG LOAN OFFICER—Community bank needs an aggressive, promotable lender who has the desire to move up. Degree plus excellent people skills. ..... To $30,000.

TRUST OFFICER—Will supervise and direct the Employee Benefits department of a large Trust division. JD preferred but not required. ..... To $40,000.

COMMERCIAL LENDER—Polished professional with formal credit training and proven leadership ability. Will supervise and direct 3 loan officers in a large commercial department of a metro bank. ..... To $50,000.

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.

Dwayne Smith
Banking, Insurance and
Leasing Specialist
(515) 224-0830
SALES CONSULTANTS
1501 50th Street #210
West Des Moines, IA 50265

POSITIONS AVAILABLE

EXECUTIVE VICE PRESIDENT

Fill a vital role with A Northern Iowa bank seeking senior management continuity. Desire 10+ yrs banking experience with emphasis in ag/com'l lending and proven business development skills. A terrific opportunity!
To $50K. Job #NW2682

AG LENDER

Be part of the management team! Small outstate Montana bank desires a senior ag lender. 4+ yrs ag lending exp and strong work-out expertise required.
To $30K. Job #NW2683

COMMERCIAL LENDER

Do you feel taken advantage of? Has another year passed and still no career movement? Start the new year with a fresh start! A major Eastern SD bank needs a com'l lender with 2+ yrs exp. Must be degreed. To $30K. Job #NW2684

FOR MORE INFORMATION
CONTACT PAUL GENTZKOW
OR JAN PETERS

ROBERT HALF OF MINNESOTA, INC.
3636 IDS Center
Minneapolis, MN 55402
(612) 339-9001

ALL FEES COMPANY PAID

POSITIONS AVAILABLE

TRUST MARKETING - large urban bank. Requires degree and trust experience. $35K

REAL ESTATE LOAN - single family residential and secondary market experience required. Proximity of major metro area. $40K

LOAN REVIEW - large bank experienced required. Both junior and senior level positions available. $28-$40K

COMMERCIAL LENDING - V.P. positions in urban and large suburban banks. Personal portfolios from $20MM to $50MM. $40K

BRANCH MANAGER - handle small business and consumer credits. Med-size community affiliate of multibank holding company. $24K

Additional listings for commercial lending and trust officers. Resume' requested.

TOM HAGAN & ASSOCIATES
P.O. Box 12346/2024 Swift
North Kansas City, MO 64116
816/474-6874

"Serving the Banking Industry Since 1970"

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