

Bank Owner

Bank Holding Company Association Magazine

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Front Cover Photo by Lane Pelovsky, Courtesy of Meet Minneapolis

Managing Director Tom Bengtson serves as editor.

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Now is a great time to get involved with the BHCA

I read recently where two associations that represent the largest banks in the country merged. As the industry evolves, it makes sense the associations that represent banks across this industry evolve also. There are a lot of associations out there, most doing fine work. But as the number of bank charters continues to decline, associations have to work harder to preserve their role in the industry.

The Bank Holding Company Association has been around since 1981, initially serving bank owners in Minnesota but now serves bankers all across the Midwest, if not the country. I believe the BHCA offers unique services, and it is carefully considering opportunities to expand farther to the south, west and east. Most recently, for example, the BHCA hosted a seminar in Kansas City, a first in that fine city for the BHCA.

If you are a BHCA member, let me thank you for your membership. Our membership rolls are growing to numbers not seen in more than a decade. Since 2010, membership is up 45 percent. If you are one of those newer members, welcome! If you have received this magazine but are not a member, please consider joining. If you attend one or both of our major seminars during the year – and especially if you bring a colleague or two – you will find membership to be particularly economical. Members receive a discount on all seminar registrations, in addition to other benefits.

Let me also challenge you to invite another bank in your region to join the association. If you are part of a regional peer group, let the other participating bankers know about your involvement in the BHCA; invite them to be a part of “the wave.” The association is building momentum, kind of like an ocean wave. The time to catch the wave for a great ride is now!

Let me share a few characteristics about the BHCA that I believe are important:

The BHCA is regional

State lines are losing the importance they once held. Charter Bankshares, for example, has offices in Wisconsin and Minnesota. Furthermore, technology – particularly the internet – is making the idea of state boundaries less meaningful. Banks can serve customers almost anywhere in the country, if not the world.

Also, the association’s regional focus gives it ample opportunity to grow, bring in new perspectives and partner with other organizations. We are not “land locked,” so to speak; if you have a holding company, you can join the BHCA, no matter where you are located.

The BHCA is sharply focused

Education is the BHCA’s primary mission. The association hosts seminars, and publishes informative, educational materials – things such as this magazine and our website, which you can find at www.theBHCA.org. We are not involved in vendor endorsements, political lobbying, for-profit ventures, and other efforts. We provide education by bringing in the best speakers and experts, and by creating superb networking opportunities for our members and associate members. And we know some of our best speakers are our members. We often feature member bankers on our seminar mainstage to discuss innovations at their bank, merger transactions, best-practices or other information worth sharing that you simply cannot get anywhere else.



By Brenda L. Johnson
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Eau Claire, Wis.

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President's Observations, Continued on page 14

'Hamilton' spices up seminar that promises to be biggest ever

The "Dinner and Theater Night Out" events hosted in conjunction with our seminars have matured into an important BHCA offering. We have had a lot of fun in the past few years, seeing shows such as "Grease," "Time Stands Still," "Mary Poppins," "Newsies," "Fiddler on the Roof," and others. Typically, we have attended shows at the Chanhassen Dinner Theatres, or at the Guthrie Theater. Last fall, however, we had an opportunity to see the touring Broadway production of "Aladdin," which was truly spectacular.

We are very pleased to be able to offer an opportunity to see the hottest show on stage, "Hamilton," with our upcoming Fall Seminar. Word came months ago that the hit was coming to Minneapolis, and I was thrilled when the performance run included the dates of our Fall Seminar. When they announced how to purchase tickets, however, I was crestfallen to learn there would be no group ticket sales. If we wanted to offer a dinner and theater night out event with our Fall Seminar to see "Hamilton," we would have to get creative.

The first tickets were made available only as part of a season ticket package. That didn't help us any. Like thousands of other theater lovers in the area, we would have to wait until they announced how tickets would be sold to individuals. That information came on June 11. We were told tickets would be made available on June 21, at 10 a.m. Tickets could be purchased online or at the Orpheum Theatre box office. But there were caveats. Individuals would be limited to four tickets. With hundreds of thousands of people expected to be vying for approximately 100,000 tickets, pre-registration was required to make an online purchase.

So the staff at BHCA headquarters huddled to develop a plan. Between each of us and a few friends, we assembled a team of 12 people who pre-registered to participate in the ticket lottery. In addition, we arranged for three people to wait in line at the box office. They said doors would open at 6 a.m. to get inside the theatre where the box office would open four hours later.

When June 21 arrived, McKaela on our staff arrived at the theater a little after 5 a.m. There were already people in line. Soon after, two friends joined up with her, and they waited, and waited. The time, however, went faster than you might imagine. People in line sang songs from the show. A sponsor handed out water bottles and snacks. Most people passed the time reading or playing games on their phone. At 6 a.m., they were allowed to enter the theater. By 10:15 they were buying tickets. Fortunately, they each were able to buy the maximum number of tickets on the theater main floor for the performance we wanted.

Meanwhile, back at the office where we were attempting

to buy tickets online, the results were less satisfying. Out of the 12 people who pre-registered, 10 were put on a waiting list; only two were given the log-in credentials to make a purchase. So between the box office and online purchases, we had five people acquire four tickets each for a total of 20 tickets. We knew the demand within the BHCA would support purchasing two or even three times that number of tickets. We learned that by 1 p.m. that day, tickets were sold out. Later that day, main floor tickets were selling on StubHub for around \$1,200. We paid \$199.

Through some strategic buying at a ticket broker, we were able to buy eight additional tickets for only slightly more than face value. Snagging 28 tickets total was the best we could do. Typically, our dinner and theater events attract about 25 people, although a year ago a record 41 people participated.

Given the demand for "Hamilton" tickets, we limited availability to BHCA holding company members who purchased a full seminar registration, and we limited purchases to two tickets per person. We have prepared a great evening with a pre-show dinner at the fabulous Capital Grille, which is located within a block of the Orpheum Theatre. We will take care of the transportation, so participants can simply enjoy the food and the show. No worrying about any of the details!

All our tickets sold out on the first day we made them available, July 17. If you were one of the lucky ones to get tickets, congratulations! If not, plan to join us for a show after one of our 2019 seminars. If you are able to obtain tickets for the Oct. 2 performance and want to join us on the bus and for dinner at The Capital Grille, please contact us. We are happy to welcome you to the party.

I like the notion that there is a banking industry angle to all of this. "Hamilton," of course, is about Alexander Hamilton, the founding father who was the country's first Treasury Secretary. You wouldn't think that a two-and-a-half-hour performance filled with rap music would be so popular, but everyone I know who has seen it says "Hamilton" is a fantastic theatrical accomplishment.

Our Fall Seminar, "Buy, Sell or Hold: *More Strategies for Success*," is going to be the biggest BHCA seminar ever. Mark your calendars for the Oct. 1-2 event, and register today! ■



By Tom Bengtson
BHCA Managing Director

Is the flattening yield curve predictive of recession?

This time is different.

I consider those the four most dangerous words in economics.

Today, policymakers are paying increased attention to the so-called flattening yield curve — the difference in yields between long-term and short-term Treasury bonds. For the past 50 years, an inverted yield curve, where short rates are higher than long rates, has been an excellent predictor of a U.S. recession. In fact, during this half-century period, each time the yield curve has inverted, a recession has followed. Over the past two-and-a-half years, as the Federal Reserve has raised short-term interest rates, the yield curve has flattened dramatically, with the difference between 10-year and two-year Treasuries down from 134 basis points in December 2016 to 25 basis points today [July 16], a 10-year low.

Is recession around the corner?

Some say, “No. This time is different,” and that the flattening yield curve is not a concern. The truth is we don’t know for sure. But we do know the bond market is telling us that inflation expectations appear well-anchored, the economy is not showing signs of overheating and rates are already close to neutral. This suggests that there is little reason to raise rates much further, invert the yield curve, put the brakes on the economy and risk that it does, in fact, trigger a recession.

If inflation expectations or real growth prospects pick up, the Fed can always raise rates then. The primary reason some policymakers argue that this time is different is because the “term premium” is low today, and so

they argue that comparisons to past yield curve inversions are misplaced. If the term premium were at its historical average, these policymakers say, the yield curve would be steeper and an inversion would be further off. This is the same argument some policymakers made in late 2006 to explain why they didn’t worry about the then-inverted yield curve. We now know the Great Recession followed that inversion.

What is the term premium?

It is the extra returns investors often demand to hold a long-term bond versus a series of short-term bonds. While we’ve given it a technical-sounding name, the truth is we don’t fully understand it. It’s just a residual of the various factors embedded in market prices that we can’t explain.

Why is the term premium low?

Maybe because the Fed’s expanded balance sheet is holding it down. Maybe investors are nervous about trade tensions and are buying Treasuries to hedge those risks. Maybe there is an excess of savings around the world. We don’t know. If I said this time is different because the residual is low, would you be willing to risk a recession on that hunch without clear evidence that inflation expectations are rising above target? I sure wouldn’t.

In the past year, Congress has enacted both a major increase in spending and a large tax cut, and the Federal Reserve has begun winding down its balance sheet. All of these factors increase the supply of Treasury bonds that the private markets must hold. For example, the private

sector’s holdings of Treasury securities with remaining maturity of at least 10 years has increased at a rate of \$14.2 billion per month so far in 2018 versus a rate of \$7.5 billion per month in 2014.



This additional supply should be putting downward pressure on Treasury prices, driving yields up. Yet the 10-year yield has increased remarkably little, to 2.83 percent today. The fact that the 10-year yield is, so far, staying around 3 percent suggests that monetary policy, with a federal funds rate of 1.75 percent to 2.0 percent, is near neutral today. If the markets were expecting higher inflation or stronger real economic growth, that should be showing up as higher long-term bond yields.

If the Fed continues raising rates, we risk not only inverting the yield curve, but also moving to a contractionary policy stance and putting the brakes on the economy, which the markets are indicating is at this point unnecessary.

Deciphering the many signals from financial markets is not an exact science. But declarations that “this time is different” should be a warning that history might be about to repeat itself.

Neel Kashkari is president of the Federal Reserve Bank of Minneapolis. This essay is reprinted with permission. It originally was published July 16 on the Federal Reserve Bank of Minneapolis website.

By Adam Maier and Lara Page

Community bank regulatory reform becomes law

On May 24, 2018, President Trump signed the Economic Growth, Regulatory Relief and Consumer Protection Act (S. 2155) into law, clearing the last hurdle for an expansive roll-back of U.S. banking regulations. The bill passed in the U.S. House of Representatives by a 258-159 vote and in the U.S. Senate with a 67-31 vote. The bill will relieve a majority of the nation's banks from compliance and regulatory obligations imposed by the 2010 Dodd-Frank Act, which was adopted in the aftermath of the 2008 financial crisis.

S. 2155 benefited from significant support from the banking industry, and in particular from the Independent Community Bankers of America and other representatives of community banks. Proponents of the bill asserted that the oversight and compliance obligations imposed by Dodd-Frank unnecessarily, or at least disproportionately, burdened community banks with the costs and organizational challenges associated with compliance, even though these institutions did not pose the same level of risk to the domestic or global financial systems as their much larger national bank counterparts.

To address these concerns, S. 2155 adjusts existing regulatory requirements to create a more tiered regulatory framework based on institution asset size, primarily by removing certain compliance obligations to which community banks are subject, and increasing the threshold triggering application of some of the most stringent oversight and compliance requirements.

The most significant regulatory changes for community and regional banks resulting from S. 2155 are highlighted here:

For banks with assets under \$3 billion:

- ◆ Raised the qualification threshold from \$1 billion in assets to \$3 billion in assets for: (i) an 18-month exam cycle for well-managed, well-capitalized banks, and (ii) the Federal Reserve's Small Bank Holding Company Policy Statement.

For banks with assets under \$10 billion:

- ◆ No longer subject to the Volcker Rule enacted as part of Dodd-Frank. The Volcker Rule restricts proprietary trading by institutions insured by the FDIC and imposes related reporting and compliance obligations on these institutions as a result. These reporting and compliance obligations are among the most onerous requirements of Dodd-Frank, reflecting regulators' belief that proprietary trading poses high systemic risk.

- ◆ Certain mortgages originated and retained in portfolio are deemed Qualified Mortgages if: they comply with requirements regarding interest-only features, and the financial institution considers and documents the debt, income and financial resources of the customer.

- ◆ Truth in Lending Act escrow requirement exemption for depository institutions that originated no more than 1,000 first lien mortgages on principal dwellings in the previous year.

- ◆ Federal banking regulators are directed to develop a Community Bank Leverage Ratio (equity capital to consolidated assets) between 8 and 10 percent. Banks exceeding this ratio will be deemed well capitalized and in compliance with risk based capital and leverage requirements. Federal banking agencies may consider a bank's

risk profile when evaluating whether it qualifies as a community bank for purposes of the ratio requirement.

For banks with assets between \$10 billion and \$50 billion:

- ◆ No longer subject to mandatory stress testing or required to maintain risk management committees.

For banks with assets between \$50 billion and \$250 billion:

- ◆ No longer designated as "Systemically Important Financial Institutions" under Dodd-Frank. This designation triggers application of "enhanced prudential standards," such as stress-testing and maintenance of risk management committees.

Institutions with \$50 billion to \$100 billion in assets will be exempt as of May 24, 2018, and institutions with \$100 billion to \$250 billion in assets will become exempt Nov. 24, 2019.

For banks with assets under \$250 billion:

- ◆ The bill clarifies and adds limitations to the application of High Volatility Commercial Real Estate (HVCRE) rules, which will now only apply to the 12 largest domestic institutions. Existing HVCRE rules apply broadly to loans made for the acquisition or construction of commercial real estate, unless one of a few exemptions applies. Loans that are categorized as HVCRE receive a higher risk-weighting under capital adequacy regulations. The banking industry argued that the HVCRE definition was unnecessarily broad and that the guidance was redundant in light of other regulations and the typical community bank's lending practices and policies.

S. 2155, Continued on page 19

How to find the value hiding in CECL compliance data

There is no “easy button” for CECL. Adhering to the new standards will take time, effort and considerable planning, but it is possible to turn the pain of compliance into the benefit of strategy.

The new current expected credit loss (CECL) mandate has made broad, sweeping changes to credit measurement and reporting. To meet CECL requirements, banks and credit unions must use historical information, current conditions and economic forecasts to estimate expected losses. The new guidelines require collecting, sorting and analyzing significant amounts of data from various sources as well as altering methodologies to estimate expected losses.

The CECL requirements mark the first time this much data has been aggregated at the individual financial instrument level. But once that history – that instrument-level data – has been captured, good things can happen. With the right data, financial institutions can begin improving decision making around credit risk, interest rates and profitability.

“Analyzing data provides a solid foundation for understanding your markets and metrics, including how portfolios behave and where opportunities lie.”

Working toward CECL standards

With less than two years to go, financial institutions should be working through the necessary steps to adhere to the new standards. The multi-year implementation period is intended to give organizations a chance to prepare, but time will go quickly.

CECL requires quantitative, measurement-based historical data through the contractual or behavioral life of a loan, rather than an estimate. Most auditors are advising financial institutions to collect seven to 10 years of data. Collecting and storing that amount of information can be daunting, which is why many financial institutions are partnering with third-party providers as part of their CECL plans. Employing a solution that enhances credit modeling also eases the burden, providing the ability to continually analyze data to optimize the required reserve amount for every loan.

Credit has largely been, and will continue to be, an art form balanced by financial institutions’ finance side, which has historically had more insight and access to models, solutions and analytics. Unlike other requirements, CECL requires input, adjustments, and new, higher levels of rigor from multiple teams throughout a financial institution. CECL ups everyone’s game.

Good news waiting on the other side of CECL

Although using data for better decision-making has always been encouraged, capturing it prior to CECL requirements has been a step few were willing to take. Now that years of historical, instrument-level data will be collected and available to your organization, it makes sense to use it as a competitive advantage.

New insights will emerge that can move your organization from a reactive state to predictive or prescriptive analytics. Instead of asking what might happen, instrument-level data can help your organization make something happen.

Start by correlating data. Look at loan demand over time and other key factors for your institution. There are many ways to pool and correlate data – by collateral or type, including mortgages, auto loans, credit cards or others. You can further segment by cost center, loan officer, FICO score or geography. Consider what level of detail provides meaningful information for your organization. Does the data tell you something that might alter your strategies?

Analyzing data provides a solid foundation for understanding your markets and metrics, including how portfolios behave and where opportunities lie. Where will the market go? How will that affect your ability to earn a reasonable return on your asset base? Do you need to change your strategy to protect against potential rate changes?

You’ll soon realize the data you’ve sorted and analyzed offers insights that go far beyond credit loss. Data generated for CECL can be used in conjunction with budgeting and planning for more strategic risk management. With risk analysis into interest rates, liquidity, credit, market and regulatory capital, additional loan and credit data helps forecast and reduce losses. Additional data also helps generate more accurate budget projections. With those analyses in mind, your organization can build a strategy to become more competitive and profitable.

With that level of credit data, your organization can further extend a risk-adjusted return on capital to include all of the credit elements that have previously been out of reach for quantitative analysis. That can affect decisions on the prices you’ll set or the products you’ll offer. Using data to drive strategic decisions can lead to lower overall risk and better managed return for every stakeholder, including borrowers. That’s a remarkable place for your financial institution to be.

CECL, *Continued on next page*

By Mara Gawarecki

OCC authorizes limited-purpose bank charter for fintechs

The Office of the Comptroller of the Currency will accept applications for bank charters from fintech companies, effective immediately.

The OCC characterized the decision as “consistent with bi-partisan government efforts at federal and state levels” to promote economic opportunity and support innovation that improves financial services. The decision was documented in a policy statement and a supplement to the OCC’s Licensing Manual, both published on July 31.

“Over the past 150 years banks and the federal banking system have been the source of tremendous innovation that has improved banking services and made them more accessible to millions,” said Comptroller Joseph Otting. “The federal banking system must continue to evolve and embrace innovation to meet the changing customer needs and serve as a source of strength for the nation’s economy.”

The OCC initially floated the idea of a fintech charter in 2016, a move met with criticism from state regulators and some small-bank advocates.

“An OCC fintech charter is a regulatory train wreck in the making,” commented John Ryan, president and CEO of the Conference of State Bank Supervisors. “Fintech charter decisions would place the federal government in the business of picking winners and losers in the marketplace. And taxpayers would be

exposed to a new risk: failed fintechs.”

CSBS filed a lawsuit against the OCC over the charter in April 2017 which was dismissed by a judge because the organization’s claim of harm was speculative, since the charter wasn’t yet in existence.

The OCC emphasized in its announcement that the new charter is “only one option among many,” including those from state regulators. Additionally, the agency stressed that:

◆ Every application will be evaluated on its unique facts and circumstances.

◆ Fintech companies that apply and qualify for, and receive, special purpose national bank charters will be supervised like similarly situated national banks, including having contingency plans to deal with financial stress that threatens their viability.

◆ The expectations for promoting financial inclusion will depend on the company’s business model and the types of planned products, services, and activities.

◆ New fintech companies that become special purpose national banks will be subject to heightened supervision initially, similar to other *de novo* banks.

The agency has adequate authority, expertise, processes, procedures and resources necessary to supervise fintech companies that become national banks, the OCC said, and to unwind a fintech company that becomes a na-

tional bank in the event that it fails.

“The decision to consider applications for special purpose national bank charters from innovative companies helps provide more choices to consumers and businesses and creates greater opportunity for companies that want to provide banking services in America,” Otting said. “Companies that provide banking services in innovative ways deserve the opportunity to pursue that business on a national scale as a federally chartered, regulated bank.”

The announcement comes on the heels of a report on financial innovation issued by the U.S. Treasury in which it endorsed the OCC’s fintech charter option.

Not all banking industry advocates criticized the launch of the charter. “On the heels of the Treasury report, we are pleased to see the Office of the Comptroller of the Currency moving forward with their new fintech charter that maintains the strict safety and soundness requirements all banks face today,” said Rob Nichols, president of the American Bankers Association. “Today’s OCC announcement supports a dynamic banking industry where all players must meet the same high standards.”

Mara Gawarecki is the editor of BankBeat.Biz, where this article originally appeared.

CECL, *Continued from previous page*

Achieving strategic risk management

Because credit risk has significant enterprise-wide implications for an organization, it’s one of the most significant types of risk a financial institution takes – perhaps bigger than reputational, compliance, regulatory or market risks. To mitigate that risk, invest in people, processes and technology that will move your organization from the low end of the risk management

curve – where compliance doesn’t drive value – to true strategic risk management. It is to your benefit to implement CECL processes now to help your organization go well beyond compliance to yield business-boosting results.

John Dalton is with Fiserv’s Financial & Risk Management Solutions. Fiserv is a BHCA Associate Member.

Change in Bank Control Act: What triggers the need?

By Linda Anderson

Under the Change in Bank Control Act, prior approval from the Federal Reserve is required when a person, alone or acting together with others, acquires “control” of a bank holding company, savings and loan holding company, or state member bank. What is control? A person or group controls an entity if the acquiring person or group will own, control, or hold with power to vote (e.g., a trustee) 25 percent or more of any class of a banking entity’s voting securities.

The Federal Reserve generally considers a person or group to control a banking entity if they will own, control, or hold with power to vote 10 percent or more of any class of voting securities and no other person will own, control, or hold with the power to vote a greater percentage of the class of voting securities.

A “person” includes an individual, trust or any other form of entity. “Acting in concert” includes a shareholder and his or her immediate family.

There are common issues that may not be intuitive to filers when they consider CIBCA filings. First, although estate planning trusts are generally permitted to hold shares, the Federal Reserve may require review of the agreement(s) governing any trust that is part of a control group, holds 10 percent or more of a banking entity’s outstanding voting securities, or may otherwise be subject to filing requirements. It’s also important for filers to understand and indicate who votes or otherwise exercises control over a trust’s voting securities, and what assets a trust holds.

Second, under CIBCA, the term “acquisition” is defined broadly and includes a purchase, assignment, transfer, pledge, or increase in percentage resulting from a stock redemption. Acquisitions of nonvoting shares can also trigger a CIBCA filing requirement if special voting rights are conferred on otherwise nonvoting shares or the nonvoting shares are immediately convertible to voting shares.

The Federal Reserve considers several issues in connection with CIBCA filings, including the competence, experience, integrity, and financial ability of each person named in a notice. In order to evaluate these factors, the Federal Reserve may conduct name checks and review Interagency Biographical and Financial Reports prepared by filers.

During the name check process, which is used for filers who will own more than 5 percent of a banking entity and in special situations, filers submit fingerprints to the Federal Reserve, and the Federal Reserve collects background information on an individual from other regulatory and investigative authorities. The Federal Reserve requires an IBFR from filers with an ownership interest of 2 percent or more. The IBFR must be submitted along with the Interagency Notice of Change in Control form.

Despite the general rules described above, the following transactions do not require notice:

- An acquisition by a person who has continuously controlled the bank holding company since it commenced business,
- An increase in ownership interest by a person previously authorized to control and who has continuously controlled the bank holding company,
- Acquisitions subject to approval under the Bank Holding Company Act or Bank Merger Act,
- Acquisition of the power to vote shares through receipt of a revocable proxy for a meeting, or
- A stock dividend or stock split if the proportional interest remains substantially the same.

In addition, for some types of transactions a post notice is required within 90 calendar days after the acquisition of control rather than before the acquisition. These transactions include: acquisition of voting securities through inheritance, acquisition of voting securities through a bona fide gift, and acquisition of voting securities in satisfaction of a debt previously contracted in good faith.

The statutory period for CIBCA filing review is at least 60 days. In order to minimize the time required for review, the Federal Reserve encourages filers to submit questions in advance to ensure that filings are complete.

Holding Company Transaction Report

Here are selected recent bank holding company filings with the Federal Reserve Banks of Chicago, Minneapolis, Kansas City and St. Louis.

- ▷ Viking Financial Corporation, Alexandria, Minn., authorized to become a bank holding company by acquiring First State Bank of Ashby, Minn.; also authorized to retain ownership of Viking Bank, Alexandria, and thereby engage in operating a savings association.
- ▷ First Interstate BancSystem, Inc., Billings, Mont., authorized to merge with Northwest Bancorporation, Inc., Spokane, Wash., and indirectly acquire Inland Northwest Bank (Inland Bank); and for First Interstate Bank, Billings, to merge with Inland Bank and thereby establish branches.
- ▷ Midwest Bank, Monmouth, Ill., filed to merge with Andalusia Community Bank, Andalusia, Ill., and to establish branches in Andalusia and Moline, Ill.
- ▷ Old National Bancorp, Evansville, Ind., filed to merge with Klein Financial, Inc., Chaska, Minn., and thereby acquire KleinBank, Chaska.
- ▷ Citizens Community Bancorp, Inc., Eau Claire, Wis., filed to acquire United Bank, Osseo, Wis.
- ▷ Change in Control Notice filed by Heritage Bancshares Group, Inc., Employee Stock Ownership Plan and Trust, Spicer, Minn., and Justin Rey, Sioux Falls, S.D., to acquire additional shares of Heritage Bancshares Group, Inc., Spicer, and acquire control of Heritage Bank, N.A., Spicer.
- ▷ Mackinac Financial Corporation, Manistique, Mich., filed to acquire Lincoln Community Bank, Merrill, Wis.
- ▷ MidCountry Acquisition Corporation, Minneapolis, filed to become a savings and loan holding company and to acquire MidCountry Bank, FSB, Bloomington, Minn.
- ▷ PF Investors, Inc., Whitehall, Wis., filed to become a bank holding company by acquiring PFSB Bancorporation, Inc., Pigeon Falls, Wis., and thereby acquire Pigeon Falls State Bank, Pigeon Falls.
- ▷ WNB Holding Company, Winona, Minn., filed to acquire First State Bank of Wabasha, Minn. WNB Holding Company also filed to acquire First State Insurance of Wabasha, Inc.
- ▷ Platte Valley Bank, Scottsbluff, Neb., filed to merge with The American Bank of Sidney, Neb., and to establish two branches in Sidney. Immediately prior, Platte Valley Financial Service Companies, Inc., Scottsbluff filed to acquire The American Bank of Sidney.
- ▷ American Heartland Bancshares, Inc., Sugar Grove, Ill., filed to acquire Community Holdings Corporation and thereby acquire First Secure Bank and Trust Company, both of Palos Hills, Ill.
- ▷ Hometown Bancorp, Ltd., Fond du Lac, Wis., filed to acquire United Community Bank, Poynette, Wis.
- ▷ Midwest Banc Holding Co., Pierce, Neb., authorized to acquire shares of Redstone Bank, Centennial, Colo.
- ▷ First Midwest Bancorp, Inc., Chicago, filed to acquire Northern States Financial Corporation and thereby acquire NorStates Bank, both of Waukegan, Ill. Concurrently, First Midwest Bancorp, Inc.'s subsidiary bank, First Midwest Bank, Chicago, filed to merge with NorStates Bank, Waukegan, and to establish branches.
- ▷ American Heartland Bancshares, Inc., Sugar Grove, Ill., filed to acquire Community Holdings Corporation and thereby acquire First Secure Bank and Trust Company, both of Palos Hills, Ill.
- ▷ First Capital, Inc., Corydon, Ind., filed to acquire 5.15 percent of First Bancorp of Indiana, Inc., Evansville, Ind., and thereby acquire First Federal Savings Bank, Evansville.
- ▷ Border Bancshares, Inc., Greenbush, Minn., proposes to acquire Union Bancshares, Inc., Fargo, N.D., and thereby acquire Union State Bank of Fargo.
- ▷ James Bradley Doran, Columbia, Mo., filed to acquire shares of Green City Bancshares, Inc., Green City, Mo., and thereby acquire Farmers Bank of Green City. In addition, Doran filed to be approved as a member of the Doran/Grotenhuis Family Group, which owns voting shares of the company.
- ▷ Wintrust Financial Corp., Rosemont, Ill., authorized to merge with Chicago Shore Corporation, Chicago, and for Wintrust Bank to merge with Delaware Place Bank and thereby acquire a branch.
- ▷ Bryant Bancshares, Inc., Bryant, S.D., filed to acquire Richland State Bank, Bruce, S.D.
- ▷ Robert Claypool, Maysville, Mo., and Mary Claypool, Pella, Iowa, filed to acquire Fairport Bancshares, Inc., Maysville, and thereby acquire The Bank of Fairport, Maysville.
- ▷ Tyler J. Bachman, Shawnee, Kan., filed to acquire shares of First Centralia Bancshares, Inc., Centralia, Kan., and for approval as a member of the Bachman family group which controls First Centralia Bancshares, Inc. First Centralia Bancshares, Inc., is the parent of First Heritage Bank, Centralia.
- ▷ Meta Financial Group, Inc., Sioux Falls, S.D. authorized to become a bank holding company by merging with Crestmark Bancorp, Inc., Troy, Mich., and thereby acquiring its subsidiary bank, Crestmark Bank; (2) to retain ownership of MetaBank, Sioux Falls, and thereby operate a savings association; (3) to acquire shares of each of CM Sterling, LLC; Capital Equipment Solutions, LLC; CM Help, LLC; CM Southgate, LLC; and CM TFS LLC, all of Troy (Crestmark Bank Subsidiaries), and thereby engage in lending activities; (4) to convert back to a savings and loan holding company after the merger of Crestmark Bank with and into MetaBank and to retain all its current operations, including those of MetaBank and its subsidiaries.
- ▷ Notice filed by John H. Dammernann, Fort Myers, Fla., to acquire First BancShares, Inc. of Cold Spring, Minn., and thereby acquire control of Granite Community Bank, Cold Spring.
- ▷ Benic Holdings, Inc., Coon Rapids, Minn., authorized to become a bank holding company by acquiring shares of KES Bancshares, Inc., Virginia, Minn., and thereby acquire Northern State Bank.
- ▷ Westbury Bancorp, Inc., West Bend, Wis., authorized to become a bank holding company following the conversion of its subsidiary bank, Westbury Bank, West Bend, from a federal savings bank to a state-chartered commercial bank.
- ▷ Notice filed by the William C. Martin 2018 Grantor Retained Annuity Trust #1, and others to join the Martin Family Control Group, and acquire 10 percent or more of Arbor Bancorp, Inc., and thereby control Bank of Ann Arbor, both of Ann Arbor, Mich.
- ▷ QCR Holdings, Inc., Moline, Ill., authorized to acquire Springfield Bancshares, Inc., Springfield, Mo., and thereby acquire Springfield First Community Bank.
- ▷ Security Financial Services Corporation, Durand, Wis., authorized to acquire Pioneer Acquisition Corp., Ladysmith, Wis., and for Security Financial Bank, Durand, to merge with Pioneer Bank of Wisconsin, Ladysmith, and thereby establish branches.
- ▷ CBC Financial, Inc., Westmont, Ill., filed to become a bank holding company through the acquisition of Citizens Bank of Chatsworth, Ill.
- ▷ Bank Forward ESOP and Trust, Fargo, N.D., filed to acquire up to 33 percent of Security State Bank Holding Company, Fargo, and thereby increase control of Bank Forward, Hannaford, N.D.
- ▷ Notice filed by Ronald L. Hansen, Durant, Iowa, and others to acquire control of Liberty Bancorporation, Durant, and indirectly control Liberty Trust and Savings Bank, Durant.

WISCONSIN BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
1. ASSOCIATED BANC-CORP, GREEN BAY ASSOCIATED BANK, N.A., GREEN BAY	30,483,594	30,422,051	32. STEPHENSON NATL BANCORP, INC., MARINETTE STEPHENSON NATIONAL BANK AND TRUST, MARINETTE	497,367	494,749
2. JOHNSON FINANCIAL GROUP, INC., RACINE JOHNSON BANK, RACINE	4,783,395	4,720,468	33. NORTHERN BANKSHARES, INC., MC FARLAND MCFARLAND STATE BANK, MC FARLAND	489,484	483,546
3. NICOLET BANKSHARES, INC., GREEN BAY NICOLET NATIONAL BANK, GREEN BAY	2,933,251	2,931,212	34. DENMARK BANCSHARES, INC., DENMARK DENMARK STATE BANK, DENMARK	474,520	462,413
4. NEB CORPORATION, FOND DU LAC NATIONAL EXCHANGE BANK AND TRUST, FOND DU LAC	1,901,255	1,897,836	35. DMB CORPORATION, INC., DE FOREST DMB COMMUNITY BANK, DE FOREST	470,572	470,009
5. FIRST BUSINESS FIN. SERVICES, INC., MADISON FIRST BUSINESS BANK, MADISON	1,794,066	1,788,027	36. ABBY BANCORP, INC., ABBOTSFORD ABBYBANK, ABBOTSFORD	464,769	464,461
6. BANK FIRST NATIONAL CORP., MANITOWOC BANK FIRST NATIONAL, MANITOWOC	1,753,404	1,750,612	37. WOODTRUST FIN. CORP, WISCONSIN RAPIDS WOODTRUST BANK, WISCONSIN RAPIDS	434,085	432,979
7. TRI CITY BANKSHARES CORP., OAK CREEK TRI CITY NATIONAL BANK, OAK CREEK	1,416,263	1,414,429	38. FIRST BERLIN BANCORP, INC., BERLIN FORTIFI BANK, BERLIN	431,130	431,130
8. COUNTY BANCORP, INC., MANITOWOC INVESTORS COMMUNITY BANK, MANITOWOC	1,397,045	1,389,952	39. NW BANCSHARES, INC., CHIPPEWA FALLS NORTHWESTERN BANK, CHIPPEWA FALLS	428,423	428,382
9. RIVER VALLEY BANCORPORATION, INC., WAUSAU RIVER VALLEY BANK, WAUSAU	1,257,430	1,256,847	40. FIRST AMERICAN BKSHRS, INC., FT. ATKINSON PREMIERBANK, FT. ATKINSON	423,128	423,796
10. OCONOMOWOC BKSHRS, INC., OCONOMOWOC FIRST BANK FINANCIAL CENTRE, OCONOMOWOC	1,137,519	1,136,234	41. SECURITY FINANCIAL SERVICES CORP., DURAND SECURITY FINANCIAL BANK, DURAND	420,092	420,083
11. CENTRE 1 BANCORP, INC., BELOIT FIRST NATIONAL BANK AND TRUST COMPANY, BELOIT	1,125,300	1,122,843	42. ROYAL BANCSHARES, INC., ELROY ROYAL BANK, ELROY	419,981	414,950
12. BANKMANAGERS CORP., MILWAUKEE PARK BANK, MILWAUKEE	946,666	943,628	43. PLOETZ INVTS. LTD. P'SHIP., PRAIRIE DU SAC PDS BANCORP, INC., PRAIRIE DU SAC^ BANK OF PRAIRIE DU SAC	418,149	418,149 418,013
13. CITIZENS COMM. BANCORP, INC., EAU CLAIRE CITIZENS COMMUNITY FEDERAL N.A., ALTOONA	943,032	942,777	44. BOSCOBEL BANCORP, INC., BOSCOBEL COMMUNITY FIRST BANK, BOSCOBEL	402,641	402,641
14. S.B.C.P. BANCORP, INC., CROSS PLAINS STATE BANK OF CROSS PLAINS	935,691	935,935	45. CHOICE BANCORP, INC., OSHKOSH CHOICE BANK, OSHKOSH	400,033	400,011
15. MONONA BANKSHARES, INC., MONONA MONONA BANK, MONONA	899,179	899,348	46. BARABOO BANCORPORATION, INC., BARABOO BARABOO STATE BANK, BARABOO	397,819	397,039
16. PARK BANCORPORATION, INC., MADISON PARK BANK, MADISON	897,811	896,579	47. JEWEL BOX FIN. SERVICES, INC., COLUMBUS FARMERS & MERCHANTS UNION BANK, COLUMBUS	395,162	394,890
17. CHARTER BANKSHARES, INC., EAU CLAIRE CHARTER BANK, EAU CLAIRE	863,604	863,355	48. UNION BANCORPORATION, INC., UNION GROVE COMMUNITY STATE BANK, UNION GROVE	392,826	360,926
18. PSB HOLDINGS, INC., WAUSAU PEOPLES STATE BANK, WAUSAU	847,681	847,656	49. BOSP BANCSHARES, INC., SUN PRAIRIE BANK OF SUN PRAIRIE	385,424	385,074
19. PEOPLES BANCORP, INC., PRAIRIE DU CHIEN PEOPLES STATE BANK, PRAIRIE DU CHIEN	770,572	770,572	50. BOSSHARD BANCO, LTD., LA CROSSE FIRST NATIONAL BANK OF BANGOR INTERCITY STATE BANK, SCHOFIELD	381,182	235,970 176,430
20. UNITED BANCORPORATION, OSSEO* UNITED BANK, OSSEO CLARKE COUNTY STATE BANK, OSCEOLA, IA UNITED COMMUNITY BANK, POYNETTE LINCOLN COMMUNITY BANK, MERRILL	745,952	269,890 107,981 183,630 65,161	51. CHIPPEWA VALLEY AGENCY, LTD., BRUCE CHIPPEWA VALLEY BANK, HAYWARD	367,011	366,928
21. RIVER HOLDING COMPANY, STODDARD RIVER BANK, STODDARD UNION NATIONAL BANK & TRUST COMPANY, SPARTA WISCONSIN RIVER BANK, SAUK CITY	735,000	482,114 136,330 124,091	52. HAYWARD BANCSHARES, INC., EAU CLAIRE PEOPLES BANK MIDWEST, HAYWARD	362,300	362,236
22. CITIZENS BANK HOLDING, INC., MUKWONAGO CITIZENS BANK, MUKWONAGO	723,719	723,719	53. CAPITOL BANKSHARES, INC., MADISON CAPITOL BANK, MADISON	361,231	361,375
23. BLACKHAWK BANCORP, INC., BELOIT BLACKHAWK BANK, BELOIT	720,622	718,393	54. MOUND CITY FIN. SERVICES, INC., PLATTEVILLE MOUND CITY BANK, PLATTEVILLE	360,803	360,617
24. SWORD FINANCIAL CORPORATION, HORICON HORICON BANK, HORICON	696,145	694,345	55. FIRST BANCORPORATION, INC., LA CROSSE STATE BANK FINANCIAL, LA CROSSE	356,369	355,756
25. BANKERS' BANCORPORATION, INC., MADISON BANKERS' BANK, MADISON	692,826	690,531	56. COULEE BANCSHARES, INC., LA CROSSE COULEE BANK, LA CROSSE	356,305	356,305
26. CIB MARINE BANCSHARES, INC., WAUKESHA CIBM BANK, CHAMPAIGN, IL	662,394	656,926	57. LUXEMBURG BANCSHARES, INC., LUXEMBURG BANK OF LUXEMBURG	326,860	327,312
27. NATCOM BANCSHARES, INC., SUPERIOR NATIONAL BANK OF COMMERCE, SUPERIOR REPUBLIC BANCSHARES, INC., DULUTH, MN** REPUBLIC BANK, DULUTH, MN	622,177	619,454 394,527 393,617	58. IXONIA BANCSHARES, INC., IXONIA IXONIA BANK, IXONIA	322,061	320,835
28. PORT BANCSHARES, INC., PORT WASHINGTON PORT WASHINGTON STATE BANK, PORT WASHINGTON	581,486	579,409	59. WHITEWATER BANCORP., INC., WHITEWATER FIRST CITIZENS STATE BANK, WHITEWATER	318,460	314,904
29. COMMERCE FIN. HOLDINGS, INC., WEST BEND COMMERCE STATE BANK, WEST BEND	574,943	574,938	60. OREGON BANCORP, INC., LA CROSSE OREGON COMMUNITY BANK, OREGON	314,404	313,978
30. DELLS BANCSHARES, INC., WISCONSIN DELLS BANK OF WISCONSIN DELLS	521,702	521,702	61. LAKE SHORE III CORPORATION, GLENWOOD CITY HIAWATHA NATIONAL BANK, HAGER CITY UNION BANK OF BLAIR	309,001	196,691 112,310
31. DAIRY STATE BANCORP, INC., RICE LAKE DAIRY STATE BANK, RICE LAKE	515,108	515,101	62. FIRST STATE BANCSHARES, INC., NEW LONDON FIRST STATE BANK, NEW LONDON	304,431	303,723
			63. HOMETOWN BANCORP, LTD., FOND DU LAC HOMETOWN BANK, FOND DU LAC	299,611	298,889
			64. M.S.B. BANCORPORATION, INC., MARION PREMIER COMMUNITY BANK, MARION	298,967	298,967

* TOP TIER HC IS JOHN T. VUCUREVICH FOUNDATION, RAPID CITY, SD

** 49% OWNED BY TOP TIER HC ^ 54% OWNED BY TOP TIER HC

Source: Regulatory financial reports filed by bank holding companies and banks, data as of Dec. 31, 2017. *Dollar amounts in thousands

WISCONSIN BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
65.OAK FINANCIAL, INC., FITCHBURG OAK BANK, FITCHBURG	296,392	299,137	98.SHELL LAKE BANCORP, INC., SHELL LAKE SHELL LAKE STATE BANK, SHELL LAKE	197,347	197,347
66.KUJAWA FAMILY HOLDINGS, INC., BERLIN FARMERS & MERCHANTS BANK, BERLIN	292,238	289,991	99.CITIZENS BCSTRS OF WOODVILLE, INC., HUDSON CITIZENS STATE BANK, HUDSON	194,630	193,786
67.MAUSTON BANCORP, INC., LA CROSSE BANK OF MAUSTON	291,324	291,324	100.FARMERS STATE BANCORP., INC., WAUPACA FARMERS STATE BANK OF WAUPACA	192,274	192,274
68.FIRST NATIONAL BANCORP OF RIVER FALLS, INC. FIRST NATIONAL BANK OF RIVER FALLS	283,854	283,854	101.SECURITY BANK SHARES, INC., IRON RIVER SECURITY BANK, NEW AUBURN SECURITY STATE BANK, IRON RIVER	191,576	99,402 92,471
69.BANCORP OF NEW GLARUS, INC., NEW GLARUS BANK OF NEW GLARUS	279,912	279,419	102.FIRSNABANCO, INC., VIROQUA CITIZENS FIRST BANK, VIROQUA	190,966	191,058
70.WEST POINTE BANCSHARES, INC., OSHKOSH WEST POINTE BANK, OSHKOSH	278,965	278,861	103.COMM. BANCSHARES OF WIS., INC., GRAFTON CORNERSTONE COMMUNITY BANK, GRAFTON	187,843	187,886
71.MONTFORT BANCORPORATION, INC., PLATTEVILLE CLARE BANK, N.A., PLATTEVILLE	277,825	275,115	104.GREENWOODS FIN. GROUP, INC., LAKE MILLS GREENWOOD'S STATE BANK, LAKE MILLS	180,546	179,961
72.AMERICAN NATIONAL BANCORP, INC., APPLETON AMERICAN NATIONAL BANK-FOX CITIES, APPLETON	277,074	276,914	105.TOMAH BANCSHARES, INC., TOMAH TIMBERWOOD BANK, TOMAH	180,450	179,394
73.PARTNERSHIP COMM. BCSTRS, INC., CEDARBURG PARTNERSHIP BANK, CEDARBURG	275,888	275,381	106.WAUMANDEE BANCSHARES, LTD., WAUMANDEE WAUMANDEE STATE BANK, WAUMANDEE	179,637	179,612
74.PEOPLES COMM. BANCSHARES, INC., MAZOMANIE PEOPLES COMMUNITY BANK, MAZOMANIE	270176	270234	107.SBN COMMUNITY BANCORP, INC., NEWBURG STATE BANK OF NEWBURG	177,759	177,759
75.BOSSHARD FINANCIAL GROUP, INC., LA CROSSE FARMERS STATE BANK-HILLSBORO GRAND MARSH STATE BANK, GRAND MARSH	266,352	168,662 125,415	108.MAUNESHA BANCSHARES, INC., WATERLOO FARMERS & MERCHANTS STATE BANK, WATERLOO	177,122	176,935
76.CALUMET BANCORPORATION, INC., CHILTON STATE BANK OF CHILTON	265,913	265,913	109.NORTHERN WIS. BANK HC, INC., LAONA LAONA STATE BANK, LAONA	175,418	175,418
77.WIS. BANK SVCS., INC., BLACK RIVER FALLS JACKSON COUNTY BANK, BLACK RIVER FALLS	252,011	249,070	110.B & E INVESTMENTS, INC., ARCADIA STATE BANK OF ARCADIA	172,749	172,405
78.RIVER CITIES BANCSHARES, INC., WIS. RAPIDS RIVER CITIES BANK, WISCONSIN RAPIDS	248,808	248,583	111.AUGUSTA FINANCIAL CORPORATION, AUGUSTA UNITY BANK, AUGUSTA	172,644	172,617
79.SB BANCORP, INC., DE FOREST SETTLERS BANK, DE FOREST	246,518	246,519	112.BALDWIN BANCSHARES, INC., BALDWIN FIRST BANK OF BALDWIN	168,456	167,654
80.CLAYTON BANCSHARES, INC., LA CROSSE CITIZENS STATE BANK - LA CROSSE, LA CROSSE	245,801	245,801	113.WOLF RIVER BANCORP, INC., HORTONVILLE WOLF RIVER COMMUNITY BANK, HORTONVILLE	168,287	167,912
81.BAY AREA BANKING SHARES, INC., ASHLAND NORTHERN STATE BANK, ASHLAND	244,714	244,494	114.GEBSCO, INC., MONDOVI ALLIANCE BANK, MONDOVI	166,953	166,953
82.UNION BANCORP OF EVANSVILLE, INC. UNION BANK & TRUST COMPANY, EVANSVILLE	240,342	240,330	115.PORTAGE COUNTY BANCSHARES, INC., ALMOND PORTAGE COUNTY BANK, ALMOND	164,741	164,741
83.WISCONSIN MUTUAL BANCORP, MHC., KAUKAUNA* EWSB BANCORP, INC., KAUKAUNA^ EAST WISCONSIN SAVINGS BANK, KAUKAUNA	237,205	237,205 237,205	116.NATIONAL BANCSHARES WAUPUN, INC., WAUPUN NBW BANK, WAUPUN	157,933	157,933
84.NORTHWEST WIS. BANCORP, INC., EAU CLAIRE STERLING BANCORP, INC., EAU CLAIRE# STERLING BANK, BARRON	231,494	231,494 231,455	117.AMBANC FIN. SERVICES, INC., BEAVER DAM AMERICAN NATIONAL BANK OF BEAVER DAM NECEDAH BANK, NECEDAH	152,650	119,016 33,630
85.INDEPENDENT BANCORP, LIMITED, LITTLE CHUTE BLC COMMUNITY BANK, LITTLE CHUTE	230,965	230,965	118.HOME BANCORP WISCONSIN, INC., MADISON HOME SAVINGS BANK, MADISON	150,653	152,342
86.DAIRYLAND BANK HOLDING CORP., LA CROSSE BANK OF ALMA	228,729	228,733	119.MARKESAN BANCSHARES, INC., MARKESAN MARKESAN STATE BANK, MARKESAN	150,229	149,887
87.NEKOOSA PORT EDWARDS BANCORP., INC. NEKOOSA PORT EDWARDS STATE BANK, NEKOOSA	224,071	224,071	120.PB HOLDINGS OF MARSHFIELD, LLC, WAUSAU PIONEER BANCORP, INC., AUBURNDALE^ PIONEER BANK, AUBURNDALE	147,709 147,709	147,708
88.WOODFORD BANCSHARES, INC., MONROE WOODFORD STATE BANK, MONROE	221,712	221,690	121.ADVANTAGE COMM. BANCSHARES, INC., WAUSAU ADVANTAGE COMMUNITY BANK, DORCHESTER	146,776	146,618
89.OOSTBURG BANCORP, INC., OOSTBURG OOSTBURG STATE BANK, OOSTBURG	221,379	219,798	122.PARK FALLS AGENCY, INC., PARK FALLS FIRST NATIONAL BANK OF PARK FALLS	143,957	143,089
90.KIMBERLY LEASING CORPORATION, AUGUSTA UNITY BANK, RUSH CITY, MN	217,143	216,664	123.F & M BANKSHARES, INC., MARINETTE FARMERS & MERCHANTS BANK & TRUST, MARINETTE	143,354	143,001
91.STRATFORD BANCSHARES, INC., STRATFORD PARTNERS BANK, SPENCER	216,292	216,292	124.DEERFIELD FINANCIAL CORP., DEERFIELD BANK OF DEERFIELD	141,197	139,924
92.CITIZENS BANCSHARES OF LOYAL, INC., LOYAL CITIZENS STATE BANK OF LOYAL	208,023	208,023	125.CITIZENS FINANCIAL CORP., FORT ATKINSON BADGER BANK, FORT ATKINSON	136,020	135,944
93.CAPITAL COMMERCE BANCORP, INC., MILWAUKEE SECURANT BANK & TRUST, MILWAUKEE	207,469	208,006	126.WAUKESHA BANKSHARES, INC., WAUKESHA SUNSET BANK & SAVINGS, WAUKESHA	128,939	127,333
94.ONE CORPORATION, NEW RICHMOND FIRST NATIONAL COMMUNITY BANK, NEW RICHMOND	206,674	206,519	127.WISCUB, INC., PEWAUKEE CLEVELAND STATE BANK, CLEVELAND	125,917	113,697
95.PESHTIGO NATIONAL BANCORP., INC., PESHTIGO PESHTIGO NATIONAL BANK, PESHTIGO	204,619	204,619	128.CITIZENS BANCORP, INC., CADOTT CITIZENS STATE BANK, CADOTT	125,275	125,003
96.F. & M. BANCORP OF TOMAH, INC., TOMAH FARMERS & MERCHANTS BANK, TOMAH	200,718	200,729	129.FIRST AMERICAN INVESTMENT, INC., HUDSON FIRST AMERICAN BANK, N.A., HUDSON	120,115	120,115
97.FNB HARTFORD BANCORP, INC., HARTFORD FIRST NATIONAL BANK OF HARTFORD	200,284	200,285	130.CAMERON BANCORP, INC., CAMERON COMMUNITY BANK OF CAMERON	118,420	118,285

* ESTIMATE BASED UPON BANK TOTAL ASSETS
100% OWNED BY TOP TIER HC

^ 100% OWNED BY TOP TIER HC
> 52% OWNED BY TOP TIER HC

Source: Regulatory financial reports filed by bank holding companies and banks, data as of Dec. 31, 2017. *Dollar amounts in thousands

WISCONSIN BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
131.MILTON BANCSHARES, INC., MILTON BANK OF MILTON	110,914	115,907	147.COLLINS BANKCORP, INC., COLLINS COLLINS STATE BANK, COLLINS	81,177	81,177
132.FLORENCE BANCORPORATION, INC., FLORENCE GREAT NORTH BANK, FLORENCE	110,311	110,114	148.FS BANCSHARES, INC., MARKESAN ERGO BANK, MARKESAN	79,707	79,462
133.ROSHOLT BANCORPORATION, INC., ROSHOLT COMMUNITY FIRST BANK, ROSHOLT	101,283	101,283	149.DAIRYLAND BANCORP, INC., BRUCE DAIRYLAND STATE BANK, BRUCE	79,516	79,146
134.RICHLAND CTY. BCSHRS, INC., RICHLAND CTR. RICHLAND COUNTY BANK, RICHLAND CENTER	100,766	100,766	150.PFSB BANCORPORATION, INC., PIGEON FALLS PIGEON FALLS STATE BANK, PIGEON FALLS	78,517	78,477
135.GALE BANK HOLDING CO., INC., GALESVILLE BANK OF GALESVILLE	97,683	97,683	151.BRAD, INC., BLACK RIVER FALLS BLACK RIVER COUNTRY BANK, BLACK RIVER FALLS	76,672	76,672
136.OAKFIELD BANCORP., INC., OAKFIELD BRISTOL MORGAN BANK, OAKFIELD	96,178	96,148	152.HEADWATERS BANCORP, INC., LAND O'LAKES HEADWATERS STATE BANK, LAND O'LAKES	68,018	68,018
137.CAPRICE CORPORATION, AUGUSTA UNITY BANK NORTH, RED LAKE FALLS, MN	95,757	95,752	153.BSB COMM. BANCORPORATION, INC., BENTON BENTON STATE BANK, BENTON	67,774	66,891
138.G. W. BANCORP., INC., GREENLEAF GREENLEAF WAYSIDE BANK, GREENLEAF	94,834	94,143	154.NORTHERN FINANCIAL CORP., INDEPENDENCE INDEPENDENCE STATE BANK, INDEPENDENCE	64,950	65,651
139.BROGAN BANKSHARES, INC., KAUKAUNA BANK OF KAUKAUNA	94,344	94,344	155.GOLDEN OAK BANCSHARES, INC., SPARTA PARK BANK, HOLMEN	60,474	60,474
140.BANNER BANCORP, LTD, BIRNAMWOOD BANNER BANKS, BIRNAMWOOD	94,094	93,811	156.BONDUEL BANCORP, INC., BONDUEL BONDUEL STATE BANK, BONDUEL	57,593	57,593
141.PINERIES BANKSHARES, INC., STEVENS POINT PINERIES BANK, STEVENS POINT	91,113	91,113	157.M.S. INVESTMENT CO., NEW BERLIN MITCHELL BANK HOLDING CORPORATION, MILWAUKEE [^]	56,465	56,465
142.FOX RIVER FINANCIAL CORP., BURLINGTON FOX RIVER STATE BANK, BURLINGTON	90,641	90,546	MITCHELL BANK, MILWAUKEE		50,440
143.RIVER FALLS BANCSHARES, INC., RIVER FALLS RIVER FALLS STATE BANK, RIVER FALLS	87,447	87,447	158.HUSTISFORD COMM. BANCORP, INC., HUSTISFORD HUSTISFORD STATE BANK, HUSTISFORD	55,612	54,875
144.BAY BANCORPORATION, INC., GREEN BAY BAY BANK, GREEN BAY	87,422	87,422	159.ONTARIO BANCORPORATION, INC., ONTARIO BANK OF ONTARIO	41,357	41,284
145.EAGLE BANCSHARES, INC., CASHTON BANK OF CASHTON	85,109	85,109	160.SOUTHWESTERN WIS. BCSHRS, INC., HIGHLAND HIGHLAND STATE BANK, HIGHLAND	33,969	33,797
146.RW BANCORP., LTD., REESEVILLE STATE BANK OF REESEVILLE	84,588	84,588	161.TIGERTON BANCORPORATION, INC., TIGERTON FIRST NATIONAL BANK IN TIGERTON	23,702	23,692

Source: Regulatory financial reports filed by bank holding companies and banks, data as of Dec. 31, 2017. *Dollar amounts in thousands

[^] 49% OWNED BY TOP TIER HC

President's Observations, Continued from page 4

The BHCA is economical

Dues for the association are modest, based on a sliding scale according to the size of your organization. Associate members all pay the same amount. Compared to most other organizations out there, the BHCA is the best deal going. And BHCA seminars are always priced modestly. When the BHCA plans seminars, it works hard to keep the price low. We owe a big debt to our associate members and sponsors for this, as their additional support goes a long way toward the association's modest pricing. The next time you attend a BHCA seminar, think about the expert presenters who are speaking. Imagine what it would cost to get a one-hour consultation with any of them. In almost all cases, the cost would exceed the rate BHCA charges for its seminars. The BHCA keeps the price low because it wants you to bring your colleagues on the senior management team and the

members of your board.

BHCA members have a lot of fun

Several years ago, we began to include an à la carte dinner and theater night out function at the conclusion of our seminars. You can read more about these events in Tom Bengtson's column in this issue. We have seen some great theater. Last year at the Fall Seminar, for example, we saw the Broadway touring production of "Aladdin." It was fantastic. (I still wonder how they got those carpets to fly!) The BHCA always makes the coach trip to the theater fun with games of trivia, and the dinner before the show is always a good time for visiting and fine dining. If you haven't come along on one of our dinner and theater nights out, please make it a point to participate in one of them in 2019.

So I think you get the point. We have a good thing going, and I hope you stay

involved, or decide to become involved.

And don't forget about our Fall Seminar set for Oct. 1-2, 2018 at the Hyatt Regency Bloomington-Minneapolis. We will once again be focusing on issues related to mergers and acquisitions. This topic proved very attractive for our 2017 Fall Seminar, and we expect an equally robust response this year. We have even more speakers this year, with a full day of events on Monday, Oct. 1. This event is designed to give you the information you need to successfully navigate the M&A landscape across the banking industry in the Midwest. Whether you are planning to buy, sell or stay the course, you will benefit from learning from our select group of presenters.

Read more about the seminar on pages 15–18, and register online at www.theBHCA.org. ■



Oct. 1–2, 2018

Monday, 9:00 a.m. – 6:30 p.m.

Tuesday, 7:30 a.m. – 2:00 p.m.

Hyatt Regency Bloomington-Minneapolis

REGISTER

ONLINE

TODAY!

theBHCA.org



The M&A Seminar

for

Community Bankers

BUY, SELL OR HOLD: More Strategies for Success

It has never been more important to understand the intricacies of the bank merger and acquisition landscape.

Whether you are a buyer, are making plans to sell, or simply want to prepare yourself for the inevitable unsolicited offer, the Bank Holding Company Association's **Buy, Sell or Hold: More Strategies for Success** seminar is for you!

Like all BHCA events, this **Oct. 1–2** seminar is designed specifically for bank owners, directors and managers at community institutions. Our presenters understand the issues unique to family-owned banks, subchapter S organizations, one-bank holding companies, ag banks, organizations with a small number of shareholders, and other kinds of institutions which make up the banking industry throughout the Midwest and surrounding states.

There is no better way to develop your knowledge and understanding of bank deals than to attend the annual Fall Seminar, which is set again for the Hyatt Regency Bloomington-Minneapolis hotel near the MSP airport and the Mall of America.

Our speaker lineup includes the nation's leading experts in community bank M&A deals. Whole bank, purchase & assumptions, branch deals, cash or stock transactions – get your questions answered by the BHCA Associate Member presenters who do most of the deals in the Midwest.

No other seminar offers the value you will receive from this event. The member registration price of \$375 covers two days of educational sessions, three meals, several breaks for visiting with peers, and an important networking reception. If you can't make the entire seminar, check out our one-day registration options available to members only. You'd pay thousands of dollars elsewhere for this kind of specialized information.

The **Buy, Sell or Hold** seminar is the event you won't want to miss. Plan to bring your senior managers and your entire board of directors. Our presenters will provide the education, the background, analysis and forecasts to help you determine your institution's future.

Register today by filling out and returning the registration form in this magazine, or go to our website at www.theBHCA.org and register online.

YOU WON'T WANT TO MISS THE 2018 VERSION OF THE BHCA M&A SEMINAR

2018 Fall Seminar Agenda

MONDAY, OCTOBER 1

8:30 to 9:00 a.m.

Coffee and Pastries Available

9:05 to 9:55 a.m.

The M&A Landscape: Today's Trends, Conditions, Issues

Karen Grandstrand of Fredrikson & Byron

Are more bank owners selling this year than in previous years? What are the issues affecting decisions to buy and to sell? This session looks at the current environment, the factors affecting the market, and the regulatory considerations that are shaping today's M&A deals.

10:00 to 10:50 a.m.

Bank Deals Up Close: Real Life Examples

Blake Crow and Jeff Campbell, Eide Bailly, and banker panel

Bankers share first-person accounts of the deals affecting their own livelihoods. Campbell, as one example, sold his North Dakota bank in 2011.

10:50 to 11:15 a.m. - Break

11:15 a.m. to 12:05 p.m.

Top 10 M&A Strategies

Neil Falken, CliftonLarsonAllen

There are several things to consider in an M&A transaction. This session will walk through the 2018 top 10 strategies that can make or break the success of a transaction. Ignoring these factors will prevent your transaction from being as accretive as expected.

12:05 to 1:00 p.m. - Lunch

1:00 to 1:50 p.m.

One Holding Company, Five Banks and Five Buyers

Scott Coleman, Ballard Spahr, LLP, and Greg LeGare, president/CEO, United Bancorporation, Osseo, Wis.

Coleman teams with LeGare to discuss what it was like recently to sign five different purchase agreements with five

different buyers in three states. The two will talk about how each negotiation was different, the challenges encountered and lessons learned.

1:55 to 2:45 p.m.

Branch M&A - Trends, Types, Ways and Means

Bob Edelman, Edelman & Co., discusses branch deals with Wisconsin bankers Mike Daniels, Nicolet National Bank, Green Bay, and Tim Kotmour, State Bank Financial, La Crosse.

A branch deal can grow profits, augment funding, raise capital, extend market reach and/or boost efficiency. This panel will provide insights on what deals to do and how to get them done.

2:45 to 3:15 p.m. - Break

3:15 to 4:05 p.m.

Considerations for Minority-Share Purchases

Bob Monroe and Adam Maier of Stinson Leonard Street

Sometimes the best acquisition approach toward a particular target is a minority purchase, followed by the purchase of additional shares to gain control years later. Or, in some situations, a minority share is sufficient to meet the acquirer's needs. Monroe and Maier provide examples, with thoughts about what works and what doesn't.

4:10 to 5:00 p.m.

"Soft" Factors to Consider When Selecting an Acquisition Candidate

Anton Moch, Winthrop & Weinstine, is joined by bankers who have lived the process

The success of any transaction goes beyond the dollars and cents. There is management time pulled away from regular operations, reputation risk, and some customer relationships might be jeopardized. The presenter will use real life examples to illustrate the pitfalls to avoid.

5:00 to 6:30 p.m.

Reception (Sponsored by United Bankers' Bank)



WINTHROP & WEINSTINE



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Buy, Sell or Hold: More Strategies for Success

TUESDAY, OCTOBER 2

7:00 to 8:30 a.m.
Buffet Breakfast

7:30 to 8:10 a.m. / 8:15 to 8:55 a.m.
Breakout Sessions Round 1 / Round 2

Breakout Sessions (each session presented twice):

▶ Is a Credit Union Likely to Buy My Bank?

By Michael Bell, Howard & Howard Attorneys PLLC

▶ The M&A Landscape from the Perspective of the Federal Reserve Bank of Minneapolis

By Jason Schmidt, senior financial economist and Julie Randall, senior applications analyst

▶ Bank Valuations: What are the Influential Factors?

By Ed Usalis, United Bankers' Bank

▶ Shareholder Liquidity and Other Factors Driving Sellers: And Strategies To Remain Independent

By John Reichert and Melissa York, Reinhart Boerner Van Deuren

9:30 to 10:20 a.m.

Balance Sheet Strategies to Prepare for M&A

Gary Svec, Performance Trust

When considering an M&A transaction, conventional wisdom for preparing the balance sheet may cost you more than you realize. This presentation will unpack the tools typically used to evaluate balance sheet decisions, identify the common pitfalls and chart a path to more useful alternatives.

10:25 to 11:15 a.m.

The Art of the Deal: Bank M&A is More than Just Science

Craig Mueller and David Stieber, Oak Ridge Financial

Numbers don't always tell the whole story. Many times, nuance and intangibles play key roles in the success of a deal. In addition to analyzing some of the numbers generated by recent deals, Mueller and Stieber will cite first-hand examples that show everything is not always as it seems on the outside.

11:20 a.m. to 12:10 p.m.

Case Study: Old National Bank Purchases Anchor Bank

Joseph Ceithaml, Barack Ferrazzano, and Kevin O'Keefe, Sandler O'Neill, with Dennis Nisler, former CFO at Anchor Bank.

Old National Bancorp of Evansville, Ind., turned a lot of heads in the Twin Cities when it purchased Anchor Bank of St. Paul. The deal is now completed and Old National is in the process of establishing itself as a key player in a vibrant market. Hear from the people who worked on that deal.

12:10 to 1:00 p.m.

Lunch

1:00 to 2:00 p.m.

The Only Thing that Could Upend this Deal?

With mid-term elections just a month away, we take a look at the economy and the political environment to consider what changes could be in store. The BHCA is pleased to welcome back KC Mathews, UMB Bank, for his insightful analysis.



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Bank Holding Company Association

BUY, SELL OR HOLD: MORE STRATEGIES FOR SUCCESS

Fall Seminar Registration ~ Oct. 1-2, 2018

REGISTRATION:

Name _____

Company Name _____

Address _____

City _____ State _____ ZIP _____

Phone _____ Email _____

Guest Name(s) _____

Please indicate dietary restrictions here: _____

Are you a BHCA member or associate member? **Yes** _____ **No** _____

FULL SEMINAR REGISTRATION:

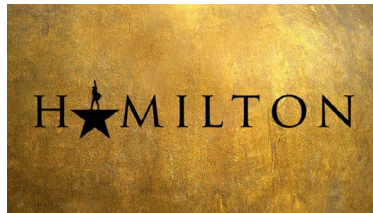
Two, Full-Day Sessions, Meals and Networking

	Number	Amount
BHCA Members	\$375 _____	_____
Non-Members	\$695 _____	_____

SINGLE-DAY REGISTRATION (must be a BHCA Member*):

	Number	Amount
*Monday Session (Oct. 1)	\$250 _____	_____
*Tuesday Session (Oct. 2)	\$200 _____	_____

TOTAL AMOUNT ENCLOSED: \$ _____



Mail Registration to:

Bank Holding Company Association
7400 Metro Blvd., Suite 217
Minneapolis, MN 55439

For additional information, call
1-800-813-4754

SOLD OUT - à la carte Dinner Theater Event
October 2: Dinner at The Capital Grille, plus HAMILTON
at the Orpheum, Minneapolis

For overnight hotel reservations, contact the Hyatt direct at 952-922-1234. Limited rooms available at \$159 per night if you register before Monday, Sept. 17. *Cancellation Policy:* Due to commitments and expenses, all cancellations after Aug. 15, 2018 will be subject to a \$200 processing fee. We regret that no refunds will be given after Sept. 12, 2018; however, substitutes are welcomed anytime. Cancellations or substitutions must be made in writing (to Kelly@theBHCA.org) or faxed to 952-835-2295. The BHCA assumes no liability for any nonrefundable travel, hotel or related expenses incurred by registrants. By registering, you authorize the BHCA to use your photo and/or video image for promotional purposes.

New to BHCA

The Bank Holding Company Association welcomes these new Holding Company and Associate Members:

Enhanced Capital

Peter Neumeier, Carter Goman,
Michael Korengold
New York, NY

Enhanced Capital is a national public policy investment firm focused on tax credit finance transactions and related lending, as well as targeted direct lending, customized for Community Reinvestment Act, environmental, social and governance (ESG), and other mandates.

Howard & Howard Attorneys

Michael Bell
Royal Oak, Mich.

Full-service firm with national and international practice, providing legal services to businesses and business owners.

Denmark Bancshares, Inc.

Scot Thompson
Denmark, Wis.
Denmark State Bank, Denmark, Wis.

First Federal Bank of Wisconsin

Edward H. Schaefer
Waukesha, Wis.

RMB Bancshares, Inc.

Don Reynolds
Marceline, Mo.
Regional Missouri Bank, Marceline, Mo.

Raymond James and Associates

John Fisher
Memphis, Tenn.

With more than 40 years of proven performance, Raymond James is well-respected for our full-service fixed-income expertise. We offer the strength and resources clients require and deliver skillful guidance, unparalleled service, superior products, innovative strategies and in-depth research. Put the power of Raymond James to work for you today.

Vanman Architects and Builders, Inc.

John Ekelund and Adam Holmes
Plymouth, Minn.

Vanman is an Architect and Build firm. They specialize in designing and building financial institutions and churches. Vanman have been in business for over 61 years and is located in Minneapolis.

Bank Holding Company Association

Mission Statement:

The Bank Holding Company Association, the premier national organization for bank holding company owners, directors and senior managers, provides education and networking opportunities to those who work in, or serve, the financial services industry. Through seminars, webinars, printed materials and other means, the association supports the vitality of bank holding companies.

Our organization:

The Bank Holding Company Association, founded in 1981, welcomes Members from around the country. Holding companies of all sizes from throughout the Midwest make up a majority of the current membership. Companies that serve bank owners, their holding companies and banks, are welcomed as Associate Members. The BHCA is run by a board of directors and a managing director.

Our magazine:

The *Bank Owner* magazine is the quarterly publication of the BHCA. The magazine is your best source for BHCA information, including upcoming events. Members receive the magazine in the mail and have access to an online version in the members-only section of our web site, theBHCA.org. The magazine also is distributed to bank owners and holding company professionals who are excellent candidates for membership.



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**Bank Holding
Company Association**
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Minneapolis, MN 55439
Tel. (952) 835-2248
Toll Free: (800) 813-4754
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S. 2155, Continued from page 7

All banks:

◆ Certain rural real estate transactions of less than \$400,000 will be exempt from appraisal requirements if no certified appraiser is available. Community banks argued that finding appraisers in rural areas can be difficult or prohibitively expensive.

◆ Depository institutions that originate fewer than 500 closed-end mortgages or open-end lines of credit will be exempt from certain disclosures under the Home Mortgage Disclosure Act.

The expansiveness of these reforms means a significant easing of U.S. bank regulations as they apply to community and regional banks. S. 2155 may soon be followed by further regulatory changes, as House

Financial Services Committee Chairman Jeb Hensarling has voiced his intention “to build on the progress achieved [by S. 2155] with an additional package of bipartisan pro-growth capital formation provisions that the House and Senate will vote on soon.”

Regardless of future congressional action, the post-S. 2155 regulatory landscape will be new and very different for many banking institutions, especially those far from Wall Street and doing business on Main Street.

Adam Maier and Lara Page are attorneys with Stinson Leonard Street. The Minneapolis-based law firm is a BHCA Associate Member. Reach the authors at adam.maier@stinson.com and lara.page@stinson.com, respectively.

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