

Bank Owner

The magazine of the Bank Holding Company Association

Managing the Challenges; Leveraging the Opportunities

Fall Seminar features
roll-up-your-sleeves,
hands-on sessions

INSIDE:

Stress testing the loan portfolio

Cybersecurity Assessment Tool released

Legislation would permit bank LLCs

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The Bank Holding Company Association

Our mission:

The mission of the Bank Holding Company Association is to provide educational information through seminars, webinars, forums and publications useful to bank owners, directors and holding company professionals.

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 10-member board of directors and a managing director.

Our magazine:

Bank Owner magazine is the quarterly publication of the BHCA. It is your best source for information about bank holding company and bank ownership issues. The magazine also 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, www.theBHCA.org. The magazine also is distributed to bank owners and holding company professionals who are excellent candidates for membership.

The Bank Holding Company Association

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CALENDAR *Register for events online at www.theBHCA.org*

Oct. 22 — Webinar: *Critical Knowledge for Every Audit Committee Member!*

Nov. 5 — Webinar: *What the Board needs to know about Cybersecurity*

Nov. 12 — Webinar: *Bank Secrecy Act training*

Nov. 19 — Webinar: *Compliance issues the Board can't ignore*

Dec. 1 — Seminar: Board Critical Issues in Cybersecurity, Embassy Suites hotel, Bloomington, Minn. Jointly sponsored with MBA and UMACHA.

Mar. 15, 2016 — Regional Seminar: Details TBA, Honey Creek Resort, Moravia, Iowa

May 2-3, 2016 — 2016 Spring Seminar

Note the date

In sports and in business, distraction-proof focus is key to success

It's Fall Seminar time again; I can't believe how fast the summer goes!

I am looking forward to our Oct. 5-6 meeting at the Minneapolis Airport Marriott Hotel in Bloomington, Minn. I think the theme captures our situation perfectly: "Managing the Challenges, Leveraging the Opportunities." In banking, we have challenges to manage, but there are many opportunities in this business. With the right information, networking and encouragement from events like our Fall Seminar, we can make the most of the opportunities.

I think back to our closing presentation at the Spring Seminar. Paul Kingsman is the New Zealand swimmer who won a bronze medal in the Olympics. He explained to us how he trained diligently for years to win that medal in 1988. The other competitors trained hard as well, but when it came down to it, it was focus that made all the difference. Kingsman showed a video of the race. The person who finished micro-seconds behind Kingsman to place fourth lost time when he turned his head to see where he was in relation to the other swimmers. That's all it took to go from being a medal-winner to going home empty-handed.

This is a powerful illustration about how important it is to focus on your goals. In banking, that's things like great customer service, new business opportunities, better procedures, smarter risk analysis, and many other things. They don't happen by themselves, you have to make them happen. Kingsman encouraged us to think about our goals and then think about the things which keep us from achieving those goals. What are the distractions that are keeping us from doing the things we need to do in order to make the most of our opportunities? Once we identify the distractions, we can take steps to eliminate them. This straightens our path to success.

Kingsman made the point that we should make a list of priorities that advance us toward our goals; these priorities aren't just suggestions or intentions. They are directives, he said. In other words, these priorities aren't things we do when it is easy or convenient; these are things we commit to doing no matter what. Kingsman didn't get up early and swim for two hours every morning before breakfast because he felt like it – in fact, a lot of times he didn't feel like it. He did it because he made it a priority; he knew it was necessary for him to achieve his goals.

He talked about the importance of practice, which he described as "continually applying a calculated, clinical process in the pursuit of a specific objective." Kingsman urged the audience to make practice count. "We naturally want to practice what we're comfortable doing," Kingsman said, "but what do you need to practice, at every opportunity, because it is a stretch for you, yet is vital to grow your business? What do you need to practice more consistently to give yourself the greatest opportunity for an outstanding performance?"

Kingsman was aiming at the Olympics as he practiced, and he asked us to think about what we are aiming for. If we have practiced, he noted, we have a right to expect success. He said we need to have such a thorough understanding of our goal that we can identify the areas in our performance that need extra attention. If we focus on those things during practice, they will not be obstacles for us when it really counts.

Ultimately, Paul Kingsman summarized his message like this:

- Protect your Passion
- Set your Priorities
- Daily, commit to focused Practice
- Avoid distractions and excellently Perform

Kingsman was an excellent closing speaker at the seminar last spring. Up to that point, several speakers



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Banks need to be vigilant as credit unions pursue expanded business lending

As you read this, the National Credit Union Administration is considering whether it should clarify the applicability of its 12.25 percent cap on member business loans. Evidently, the regulator may declare that the cap only applies to business loans made to members; it would not apply to business loans made to non-members. This interpretation would essentially render the cap meaningless because credit unions could make as many non-member business loans as they like. That makes it the functional equivalent of a bank — except that it doesn't pay taxes on its net income.

The credit union industry has long sought the ability to make more business loans. In repeated attempts, the industry lobby has pushed for legislation that would open up their ability to make more business loans. Congress has appropriately rejected those efforts. So now the industry's regulator is considering a move which would flout the intent of Congress.

The NCUA is not a serious regulator. While bank regulators keep tightening their scrutiny, credit union regulators are looking for ways to give their institutions more opportunity. What's strange is that if the NCUA allows credit unions to make more business loans, it currently does not even have the regulatory expertise on its staff to appropriately regulate the extension of such credit.

The comment period on this rule change closed at the end of August and we will wait to see what the NCUA decides to do. We have to be vigilant on this kind of thing. If NCUA changes the rule along these lines, the industry should go to Congress to ask it to pass legislation correcting the situation.

I think lawmakers are getting better at seeing the value that community banks bring to our economy and our country. Reg relief legislation appears to be gaining momentum and perhaps some of the Dodd-Frank Act onslaught can be rolled back. But reg relief won't do us any good if tax-exempt competitors are allowed to do everything that banks do.

Education, networking to be served up at Fall Seminar

This is a very exciting time of year as plans take shape for the Fall Seminar. You see the seminar promoted elsewhere in this magazine. Earlier, you likely received a registration brochure in the mail.

The seminar brings together industry leaders from throughout the Upper Midwest, making it an outstanding forum for networking. If you talk to your colleagues during the reception, meals and breaks, you are likely to learn from them just as you do from the consultants and experts who present at the sessions.

And when it comes to consultants and experts, we bring in the best. I am particularly eager to experience the session to be presented by Toby Madden, the former Federal Reserve Bank of Minneapolis official who is now consulting full time with bankers, business leaders and others. Like many of the economists

who address our seminars, Madden will provide analysis of the current economic situation. But taking it a step further, he will turn the session into a workshop by asking participants to consider potential economic scenarios and their impact on your bank. He will walk you through the steps and by the time he's done, you should have a useful working document you can take back to the bank for consideration by your board and senior officers.

Don Musso, president of a community bank consulting firm called FinPro, will set the stage for Madden, speaking in the lead-off spot on Tuesday morning. Musso spoke to our group a couple years ago, but I am pleased to invite him back because his analysis is so spot-on, practical and useful. As a bank owner himself, Musso understands the regulatory environment, pressure from shareholders, marketplace demands and board member issues that nearly all bankers face. We will have notepads and pens on the table because you will want to take notes during Musso's fast-paced presentation.

At the Spring Seminar, we added a Monday afternoon educational session. The feedback was so positive that we have done the same for our Fall Seminar. On Monday, Oct. 5, plan to take in our sessions on vendor management and technology issues. Two experts from the CliftonLarsonAllen accounting and consulting firm will begin at 3:30 with a look at the issues surrounding outsourcing. As bankers increasingly focus on their strengths, more organizations are outsourcing important functions that don't directly involve customers. Neil Falken and Joshua Jergenson will offer counsel to successfully navigate the landscape. That session will be immediately followed by a panel discussion featuring four tech experts from the BHCA associate member ranks. I have the privilege of moderating that discussion, which I know will be lively.

I also want to call your attention to our breakout session topics. Our breakout sessions always present highly practical information, and the upcoming seminar is no exception. Again, we partner with our associate members to bring you relevant, need-to-know information.

We will close our seminar on a real high note. Ben Utecht is an inspirational person who played football, won a Super Bowl, has dealt with injury that cut his playing days short, and now is an in-demand singer/songwriter. He is a real Renaissance man who will deliver a message that will resonate with you regardless of whether you care about football. Consider bringing your spouse or other guest to this luncheon session. □



By Tom Bengtson
BHCA Managing Director

Four steps to stress testing loan portfolios

Regulators are beginning to push community banks to improve stress testing of the credit risk in their commercial real estate subprime loan portfolios, but banks with less than \$10 billion in assets are not subject to the stress test requirements in Section 165 of the Dodd-Frank law. While that means community banks face a considerably lower regulatory hurdle than larger financial institutions, it also means that they don't have a detailed regulatory road map on exactly how to conduct stress testing, leaving many community banks wondering how to proceed.

Using a common-sense, four-step process, community banks can develop a sound stress testing regime that will satisfy the regulators and help them better manage their credit risk. You should:

- Understand your portfolio and its risk factors
- Ensure you have sufficient, accurate and up-to-date data
- Test for risk
- Take appropriate actions to control your risks going forward.

Understand your portfolio

The first step is to complete an inventory of your loan portfolio to gain a solid understanding of your lending products, borrower base and to understand their unique risk characteristics and how these will affect their ability to repay loans under different scenarios. One of the largest factors is the impact of changes in interest rates and how this will impact repayment capacity.

Increased rates affect everyone, and the Federal Reserve has already indicated that rates are likely to rise by year-end. While most foresee interest rate increases to be small and gradual, the economic history of the new millennium had demonstrated

that economic conditions can change drastically and with little warning. The point of stress testing is to determine your bank's ability to weather difficult conditions, not just predictable ones. If you borrowers confronted a sharp uptick in interest rates, what affect would that have on your portfolio's performance? How many of your loans are for fixed rates? Variable rates?

While interest rates are the obvious question, they are not the only one. Economic conditions don't exist in a vacuum, and borrowers don't live in one. You need to look at your specific portfolio and judge the risks most likely to affect it.

Do multifamily, investor-owned office or retail strip center properties comprise a significant portion of your portfolio? If so, how would an increase in unemployment affect occupancy rates and, by extension, loan performance? For community banks, it's local conditions that matter, not federal numbers. The U.S. unemployment rate can't be your only yardstick for risk. Is your area heavily dependent on a single industry or a handful of large employers? What would happen if that industry suffered a downturn or one of those employers closed a facility?

Is the hospitality industry a big part of your portfolio? Of course you need to consider how general economic conditions are affecting consumers' travel budgets, but you also have to consider local conditions. For example, if your bank serves a ski area that's heavily dependent on seasonal business, a winter with little snowfall could put serious stress on your borrowers, even if the national economy is booming. And it's not just your hospitality borrowers – the entire local economy is likely to suffer, so performance in housing, office and other sectors would be at risk, too.

If you have a heavy concentration of agricultural borrowers, how would depressed commodity prices or a local drought affect loan performance? Do most of your borrowers grow the same crops?

How diversified is your portfolio? What effect would poor performance in any one sector have on overall performance?

In all these cases, collateral values are an additional concern. What effect would the conditions that could cause an increase in defaults have on demand for and the values of your collateral properties? How quickly would you be able to sell them and how significant might your losses be when compared to loan values?

Those are a few examples of how banks need to understand their portfolio to determine which risk factors to use when stress testing and how heavily to weight them. The following from "Stress Testing Credit Risk at Community Banks," an article published in *Supervisory Insights* in 2012, offers a solid list of risk factors to consider:

- Debt-service coverage
- Loan-to-value ratios and capitalization rates
- Property net operating income
- Collateral value depreciation (regional and local)
- Commercial real estate (CRE) sectors performance (office, retail, multifamily, warehouse and industrial, lodging)
- Interest rate levels on variable rate loans
- Contractual terms (amortization, balloon payments) that may introduce refinancing or repayment risk
- Occupancy status
- Lease rates
- Unit absorption rates for real estate developments
- Economic factors, such as changes in local employment and house prices

The right data, the right results

A common issue we find when community banks are implementing their stress testing program is poor data integrity. If your people and systems aren't capturing the right data, if that data is not timely and accurately updated or if the data is not easily synthesized and reported, your stress testing challenge becomes exponentially more difficult. Many community banks focus on relationships, which are central to their competitive advantage. Unfortunately, that sometimes results in a lack of focus on collecting and updating data.

Review your loan documentation and core systems to determine exactly what data you need and how the fields where that data is recorded should be defined. By documenting and codifying your loans in a consistent fashion and by thinking critically about how to define and capture data tied to your key risk factors, you will help ensure that you are basing your stress testing on timely and accurate information. Without it, even the best designed test is meaningless.

This often means significant up-front work. You may find that you need to add and populate new data fields in your core system, which can entail manually receiving loan documents or gathering new information from or about borrowers.

Getting your data in shape and integrating it into an appropriate stress testing framework is a significant effort. It will require significant resources, including the focused participation of senior personnel who provide experienced understanding of your market and your lending products and practices. Outside resources can be helpful. Some banks are tempted to shortcut or understaff this effort. Don't. You have to invest the resources necessary to get the results you need.

Test for risk and take action

With the timely and accurate data in hand and the right risks identified, testing for risk becomes a relatively straightforward exercise. Weight the various risk factors that could impact your portfolio and then determine how they would affect the various components of your loan portfolio (i.g., construction loans, commercial real estate loans, residential mortgage, subprime, etc.) Consider both moderate and severe stress environments. From there, you can project how the projected erosion on loan performance would impact revenues, earnings and capital.

Stress testing shouldn't just be an exercise in regulatory compliance. Use the insights gained to help guide your lending and portfolio management practices. By understanding not just the near-term risk that you likely are already identifying through your underwriting practices, but also how loans are projected to perform when stressed, you can make more strategic decisions, not just on individual loans but on your lending practices in general. Maybe significant concentrations in a specific business or particular loan category are creating unacceptable risk, and you should seek to diversify your portfolio or perhaps

reduce lending in those areas. As you identify specific problem loans through your risk process, you can make proactive decisions on whether to try to restructure those loans or to try to sell them, while they still have value.

Stress testing should be a strategic effort that cuts across organizational boundaries. Board participation is vital. Your board should fully understand and endorse your stress testing approach and should regularly review stress test results.

Some banks may view stress testing as just another regulatory hurdle that they should try to clear with the minimum effort necessary. Done right, stress testing provides true strategic value that will help you better manage your risk and make more effective lending decisions in the future. □

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President's Observations, Continued from page 4

offered insights and advice about how to approach various banking industry challenges. An economist gave us an interesting analysis of the likely increase coming in interest rates. A panel of four bankers shared their thoughts on what makes a successful acquisition. Leaders of the Subchapter S Bank Association gave us some insight into the implications of the sub S and C corp incorporation models. We heard about corporate governance, cybersecurity and 363 bankruptcy.

In his closing presentation, Kingsman encouraged us to distill all we had heard into something useful for our own banks. Good information is essential for any success, but he reminded us that none of us will be successful without our own deliberate actions and efforts. And that is something we need to keep working at, even when it's not easy. The champions have something to teach us, and I am glad Paul Kingsman took the time to share his experiences with us last spring. □

A look at the FFIEC's new Cybersecurity Assessment Tool

The evening of June 30 felt like Christmas Eve. But instead of the anticipation of waking up to see what presents were under the tree, my excitement came from logging into the Wipfli network to open e-mail attachments I had just received on my phone. You see, I had been waiting for weeks for the FFIEC to deliver on its promise of having a Cybersecurity Assessment Tool — and there it was on the evening of June 30, sitting in the inbox of my iPhone tempting me to get out of bed and start reading. I sprang out of bed early the next day, rushed downstairs, set up my VPN connection, and began unpacking the contents of the message.

Here is what I found:

1. Help With Determining Risk Levels – The FFIEC provided a tool to help financial institutions assess “inherent risk” (i.e., risk before the implementation of controls). The previous lack of guidance has been a sore spot for many institutions looking for more substantive guidance than “you should do a risk assessment” or “you should consider size and complexity.” Now here it was, a methodical way for institutions to quickly assess risk based on the following rational criteria:

- Technologies and connection types
- Delivery channels
- Online/Mobile products and technology services
- Organizational characteristics
- External threats

In each of these categories, there are quantitative statements that a financial institution can select to best describe the type, volume

and complexity of the institution’s operations and threats directed at the organization. Each statement is then associated with one of five risk levels ranging from “least” to “most.”

For example, in the category of “delivery channels,” institutions without a mobile presence would have “least” risk in that category. If mobile applications were used for retail customers only for mobile payments, check capture, etc., the risk level is “moderate.” If, however, mobile services offered full functionality to commercial customers, including originating wires and ACH, the risk rating is “most.” Institutions are able to use this tool to answer 39 statements in these categories to determine their inherent risk profiles and then proceed to the next step of determining the target Cybersecurity Maturity Level.

2. Prescriptive Guidance on Control Expectations – The FFIEC made it clear last year that there was going to be an emphasis on a few “key domains” of cybersecurity, specifically:

- Cyber risk management and oversight
- Threat intelligence and collaboration
- Cybersecurity controls (preventative, detective and corrective)
 - External dependency management
 - Cyber incident management and resilience

The FFIEC has now provided expanded guidance on the minimum expectations of cybersecurity maturity within each of these domains based on an institution’s risk profile. Within

each domain there are assessment factors and contributing components. Each component has a declarative statement that describes the assessment factor at each level of target maturity.

The real power of this tool is the concrete and prescriptive guidance it provides. If an institution determines that it has “moderate” inherent risk, it should select a target risk profile ranging from evolving to advanced. Then, based on the target profile, there are declarative statements that describe what an institution must have in place to meet the target maturity level.

3. Methodical Approach – The FFIEC has provided tools to support the process as well as a recommended approach that is simple, methodical and sustainable.

- Determine target maturity level by determining the inherent risk profile.
- Conduct a gap analysis by assessing the declarative statements that support the target maturity profile within each domain.
- Prioritize and plan actions to address gaps.
- Implement changes to evolve cybersecurity maturity.
- Re-evaluate over time as technology, services and threats change.
- Communicate results to board, management and regulators.

The expectations are laid out in a black-and-white format with little room for interpretation. Those institutions which operate well

Assessment Tool,
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BHCA FALL SEMINAR

October 5-6, 2015

Minneapolis Airport Marriott Hotel
Bloomington, Minn.



Managing the Challenges; Leveraging the Opportunities

GOOD JUDGMENT IS KEY TO SUCCESS in banking. Every day, you are expected to manage challenges and leverage opportunities as you make the most of your banking franchise. Sound decisions in matters small and large can make all the difference.

The Bank Holding Company Association wants to help you manage your challenges and make the most of your opportunities. We have planned a Fall Seminar that will give you the latest information about the industry landscape – information that will help you make sound judgments.

The **2015 Fall Seminar** opens with a Monday afternoon session devoted to the challenges and opportunities related to technology. Tech vendors play such an important role in many banks today that vendor management has been elevated to a top priority. Consultants from CliftonLarsonAllen will offer practical counsel for developing productive relationships with vendors.

A panel of experts from leading fin-tech companies will follow up with an insider's perspective on the challenges and opportunities facing bankers. Four BHCA Associate Members — Modern Banking Systems; Case Financial; Sycorr and Fiserv — have stepped up to offer what is certain to be a lively and informative discussion about technology and its impact on the banking industry.

After our welcome reception and dinner, **Dr. Michael Monroe Kiefer** will push the envelope with compelling comments about leveraging the “likeability factor” for maintaining a positive workplace attitude. Be sure to bring your spouse or guest with you; this also is a great presentation for your directors, who will be able to take Dr. Kiefer's suggestions back to their place of work.

Don Musso, the highly regarded industry consultant, will open our Tuesday morning session with a look at the toughest issues facing bankers. A bank owner himself,

Musso has been in hundreds of banks throughout his career and shares practical insights derived from real world experiences. Musso received off-the-charts positive reviews when he spoke at the BHCA Fall Seminar two years ago.

Then it will be time to dive into the current economic conditions with economist **Toby Madden**. Roll up your sleeves and consider what the various economic scenarios over the next 12 to 18 months might mean for your bank. Madden's bank-simulation approach turns the standard economic forecast into a useful strategic planning exercise.

Ben Utecht, former tight end for the 2006 Super Bowl champion Indianapolis Colts, will conclude our seminar with his presentation, *The Champion's Way*. Born in Hastings, Minnesota, the former Gopher football player will share lessons learned on the gridiron. Now an advocate for concussion research/awareness, Utecht talks about the head injuries which ended his playing days. A talented singer/songwriter, Utecht informs, entertains and inspires.

For many attendees, the breakout sessions are the highlight of our seminar and we have planned four impactful sessions: Marketplace lender partnerships, the payments system, a tax update and a community bank M&A overview are all on the agenda. See next page for details.

We have built in plenty of time for networking. We know one of the most valuable portions of our seminar is the time you get to spend with your industry peers from across the Upper Midwest.

Register today online at www.theBHCA.org or by filling out the form on page 11 and returning with your check. Be sure to bring along colleagues and members of your board of directors. Don't wait; register now. The BHCA Fall Seminar is your *best two days in banking!*

2015 Fall Seminar Agenda

MONDAY, OCTOBER 5

3:30 to 4:15 p.m.

"Vendor Management & Outsourcing: Two Necessary Evils"

*Presented by Neil Falken and Joshua Jergenson
of CliftonLarsonAllen*

Over the last 18 months, community banks have received increased regulatory pressures surrounding the vendor management process. During this session, we will discuss how to address vendor management requirements as well as things to think about as your bank may consider outsourced solutions.

4:15 to 5:00 p.m.

"Tech Panel: The issues that keep you awake at night and how to handle them "

Panelists: George Gervase, Modern Banking Systems; Kent Conrad, Fiserv; Troy Case, Case Financial; and Jeremy Neuharth, Sycorr, with Tom Bengtson moderating.

5:00 to 6:30 p.m.

Reception

6:30 to 7:30 p.m.

Dinner

7:30 to 8:30 p.m.

"Maintaining a positive workplace attitude by leveraging the 'Likeability Factor'"

*Presented by Michael Monroe Kiefer,
Powermind Training*

'People readers' know how to make the most of their situation – at work and elsewhere. They understand the psychology of adaptive communication. They know how to invite positive responses from others to maintain strong cooperative and respectful business relationships. Learn how to develop your likeability factor in this fun presentation, studded with entertaining real life experiences.



TUESDAY, OCTOBER 6

7:30 to 8:30 a.m.

Registration/Buffer Breakfast

8:15 to 8:30 a.m.

BHCA Annual Meeting

8:30 to 9:30 a.m.

"Top 10 issues facing community banks"

Presented by Don Musso, President of FinPro
This session will discuss the Top 10 critical issues facing community banks. Importantly, it will also provide an action plan template for attendees to take back to their bank to address each of the issues. Finally, the session will update the regulatory environment and provide guidance on the future direction relative to key issues.



9:30 to 10:30 a.m.

"Economic Forecast and Workshop"

Toby Madden, Economist

Madden will provide an economic workshop including the economic outlook and what this means for your bank. There are many ramifications to rising interest rates and how this will impact your bank. Are you prepared for what is coming? Find out in this interactive session.



10:50 to 11:20 a.m.

Round I of breakout sessions

11:30 a.m. to 12:00 p.m.

Round II of breakout sessions.

Each breakout session will be presented twice:

"Marketplace lender partnerships"

Presented by James Sheriff, Reinhart Boerner Van Deuren, Milwaukee, and Wayne Gore, Alliance Partners, Bethesda, Md.

"EMV liability shift and other payment system hot buttons"

Presented by Patrick Dix of Shazam, Johnston, Iowa.

"Tax update for bankers on issues related to holding companies, S corps and succession planning"

*Presented by Jerry Kissell and Craig Braget
of McGladrey, Minneapolis.*

"Community bank M&A update"

*Presented by Scott Coleman and Mark Dietzen
of Lindquist & Vennum, Minneapolis.*

12:15 to 1:00 p.m.

Lunch

1:00 to 2:00 p.m.

"The Champion's Way "

Ben Utecht

Former Minnesota Gopher football player, Ben Utecht won the 2006 Super Bowl while starring at tight end for the Indianapolis Colts. Ben is also a singer/songwriter. Ben suffered a career ending brain injury and advocates for concussion research/awareness. Ben shares stories from throughout his fascinating career that are an inspiration to all.



2:00 p.m.

Adjourn

Bank Holding Company Association

Fall Seminar Registration ~ October 5-6, 2015

Personal Information:

Name _____

Company Name _____

Address _____

City _____ State _____ ZIP _____

Phone _____

Guest Name(s) _____

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

REGISTRATION OPTIONS:

Monday, Oct. 5 – Seminar, Reception, Dinner and Program

Fee Schedule Per Person:		Number	Amount
Members and Associate Members:	\$100	_____	_____
Outside directors from member institutions:	\$75	_____	_____
*Non-members:	\$175	_____	_____

Tuesday, Oct. 6 – Seminar

Fee Schedule Per Person:		Number	Amount
Members and Associate Members:	\$250	_____	_____
Outside directors from member institutions:	\$150	_____	_____
*Non-members:	\$375	_____	_____

Membership dues, if applicable _____ Amount

Annual dues for new members only: _____

Total amount enclosed: \$ _____

Please indicate dietary restrictions here: _____

For overnight hotel reservations, contact the Minneapolis Airport Marriott Hotel direct at 952-854-7441. The room rate is \$146 per night if you register before 3 p.m., Sept. 21.

The cost of the meals, entertainment and breaks included in the registration fee for this meeting are estimated at \$50 for the Monday evening session and at \$95 for the Tuesday seminar session. This information is provided for your tax records in keeping with IRS deductibility provisions.

By registering, you authorize the BHCA to use your photo and/or video image for promotional purposes.

Cancellation Policy: Paid registrants who cancel their seminar registration at least 72 hours before the program will receive a full refund; if fewer than 72 hours, a \$50 administrative fee will be deducted.

Mail completed registration form
with your check to:

Bank Holding Company Association
7400 Metro Blvd., No. 217
Edina, MN 55439

For additional information, call
952-835-2248 or 1-800-813-4754
Fax: 952-835-2295

ONLINE REGISTRATION
AVAILABLE AT

www.theBHCA.org

Not yet a member of BHCA?

*If you are not currently a BHCA Member or Associate Member, you may choose to pay the non-member rate, **or become a member with this registration and pay the member rate.** Include your 2015 dues to begin your membership immediately.

Member dues are as follows (select one):

- ☐ For bank holding companies with assets of less than \$50 million: **\$400**
- ☐ For bank holding companies with assets of \$50 million to \$100 million: **\$500**
- ☐ For bank holding companies with assets of \$100 million to \$250 million: **\$600**
- ☐ For bank holding companies with assets of \$250 million to \$500 million: **\$750**
- ☐ For bank holding companies with asset over \$500 million: **\$1,000**
- ☐ Associate membership (companies that are not bank holding companies): **\$500**

Proposed legislation would permit banks to operate as LLCs

On July 29, 2015, Representative Kenny Marchant of Texas introduced H.R. 3287, the “Community Bank Flexibility Act.” If enacted, the bill would permit bank and bank holding companies to organize, or reorganize, as limited liability companies (LLCs).

Federal and state banking laws require organizers of *de novo* banks to incorporate; that is, form a corporation to obtain a charter and operate traditional banking activities. Thus, banks have not been permitted to operate as LLCs, which is one of the more popular business structures that provides owners limited liability similar to a corporation and “pass-through” tax treatment similar to a

partnership. Many business owners believe LLCs offer the “best of both worlds” for liability protection and tax efficiency (though this is not always the case).

In addition to allowing *de novo* banks and bank holding companies to organize as LLCs, H.R. 3287 provides a five-year transition period during which banks and bank holding companies currently organized as corporations, whether taxed as regular or S corporations, can reorganize as LLCs without triggering current income taxes at either the corporate or shareholder levels. It also contains a “built-in gains tax” provision similar to that applicable to S

corporations that were formerly taxed as regular corporations.

Formation as LLCs could offer banks certain advantages:

For a bank taxed currently as a regular corporation, conversion to an LLC would permit pass-through tax treatment similar to an S corporation.

For a bank taxed currently as an S corporation, conversion would allow more flexibility in the number and types of permitted owners and fewer restrictions on approaches to raising capital.

Potential disadvantages to LLCs often relate to greater self-employment tax exposure for owners and increased tax complexity. Careful analysis to evaluate the relative benefits, if any, offered by LLCs would be essential before making any change in a bank’s structure.

NEW WEBINAR: Audit Committee Hot Buttons



Critical Knowledge for Every Audit Committee Member!

While no two financial institutions are exactly alike, all are affected to some degree by marketplace, legal and regulatory activities. In this webinar, **Hank Donatell** of **McGladrey LLP** will provide insights into cybersecurity, BSA/ALM, compliance, model governance and vendor management challenges, along with the action steps financial institution owners and executives, audit committee members, and board members should address now. This session will provide a solid foundation needed to improve oversight in a high-stakes regulatory environment. *Webinars are recorded and accessible to webinar registrants for repeat viewing.*

Date: October 22, 2015

Cost: \$59 for BHCA members; \$99 for non-members.

Place: Your desk! Webinar starts at 10 am Central and lasts approximately 60 minutes.

Register today at: www.theBHCA.org

S Corporation Changes Proposed

The LLC proposal comes on the heels of the introduction in June of H.R. 2789, the “Capital Access for Small Business Banks Act,” designed to help S corporation banks raise capital. This act would increase the S corporation shareholder limit from 100 to 500, allow S corporation banks to issue preferred stock and provide an income tax deduction for preferred stock dividends paid by S corporation banks.

Outlook

These proposals may be “long shots” for swift enactment. However, they bear watching because legislators may attempt to include these or similar ideas in tax reform discussions expected in Congress after the 2016 elections. □

Fed Notes is provided through a partnership the Bank Holding Company Association shares with the Federal Reserve Bank of Minneapolis. If there are topics you would like to see addressed in this column, please contact Ron Feldman, senior vice president, Federal Reserve Bank of Minneapolis, at 612-204-5176 or ron.feldman@mpls.frb.org

Community Reinvestment Act and Consumer Compliance Considerations in Applications

By Dorothy Rich, Supervisory Examiner

The spring 2015 *Bank Owner* column by Federal Reserve staff discussed how the Federal Reserve assesses competition when we review applications for approval to engage in expansionary activities including mergers, acquisitions, and branching. In this column, we discuss factors we consider when we review the Community Reinvestment Act (CRA) and consumer compliance records of the acquiring organization as part of our assessment of organization management and the obligation to meet community banking needs. We also identify the circumstances under which we may approve an application by an organization with CRA or compliance weaknesses. Next, we discuss addressing weaknesses at the target organization. We conclude by discussing the impact of substantive public comments.

Community Reinvestment Act and consumer compliance considerations: The CRA requires the Federal Reserve to consider an organization's record of helping to meet the credit needs of its local communities in evaluating applications for mergers, acquisitions and branches. We also must consider the strength of institution management and whether the proposal will have a positive effect on meeting the banking needs of the community. Applications involving a bank or a holding company with a depository subsidiary that has a less-than-satisfactory CRA or consumer compliance rating raise significant concerns, face barriers to approval and have generally been discouraged. These ratings generally reflect unfavorably on organization management and/or the ability of the entity to serve community needs effectively.

Mitigating factors that may facilitate approval: The Federal Reserve may consider approving applications involving applicants with a less-than-satisfactory CRA or consumer compliance rating in some cases. For example, we may consider a branch opening for an applicant with a less-than-satisfactory CRA rating if it addresses CRA weaknesses or the branch is in a low- or moderate-income or minority census tract. The applicant must demonstrate, however, that the branch opening addresses an unmet need for banking services, including credit, and does not detract from efforts to address non-branch related CRA deficiencies. Likewise, the Federal Reserve may act favorably on applications where the applicant or its subsidiary has a less-than-satisfactory compliance rating if:

- The issues that led to the rating or weaknesses in the consumer compliance program are not severe;
- This is the first less-than-satisfactory rating and the weaknesses are not repeat in nature;
- The institution has taken appropriate corrective action in the view of the primary regulator;
- The problem institution is a small part of the organization's consolidated total assets; and
- The proposal would not pose a material distraction to management in its efforts to achieve corrective action and maintain a satisfactory compliance program going forward.

Target organization weaknesses: We also consider the CRA and consumer compliance performance of the target organization. The applicant should outline specific steps it will take to address identified CRA or compliance weaknesses at the target. The applicant's consumer compliance program and policies and procedures should be adequate to ensure successful integration of the target organization. Organization management and the compliance program should ensure that the combined organization would continue to maintain satisfactory CRA and consumer compliance programs after consummation.

Public comments: Substantiated public comments alleging CRA or fair lending concerns may also inhibit application approval. Applicants must publish notice of proposals to merge or acquire another organization to inform the public of the opportunity to submit written comment on any proposal. Public comments provide the Federal Reserve with a broader perspective on an organization's CRA or consumer compliance performance beyond examination ratings. Adverse

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.

▷ Beartooth Financial Corp., Billings, Mont., authorized to become a bank holding company by acquiring Beartooth Bank, Billings.

▷ First Interstate BancSystem, Inc., Billings, Mont., authorized to merge with Absarokee Bancorporation, Inc., Absarokee, Mont., and thereby acquire United Bank.

▷ FNB Barry Bancorp, Inc., Barry, Ill., authorized to become a bank holding company by acquiring shares of First National Bank of Barry, Ill.

▷ Huron Valley Bancorporation, Inc., Milford, Mich., authorized to become a bank holding company by acquiring Huron Valley State Bank, Milford, Mich.

▷ Liberty Bancorp, Inc., Liberty, Mo., authorized to become a bank holding company on conversion of BankLiberty, Liberty, from a federal savings bank to a commercial bank.

▷ Wintrust Financial Corp., Rosemont, Ill., authorized to acquire by merger Suburban Illinois Bancorp, Inc., Elmhurst, and thereby control Suburban Bank & Trust Company.

▷ Baylake Corp., Sturgeon Bay, Wis., filed to acquire via merger NEW Bancshares, Inc., Kewaunee, Wis., and thereby acquire Union State Bank, Kewaunee.

▷ Burlington Holdings, Inc., filed to become a bank holding company through the acquisition of Burlington Bancshares, Inc., parent of Bank of Burlington, all in Burlington, Colo.

▷ Notice submitted by David L. Johnson and Sandra L. Castetter, both of Kansas City, Mo., to acquire shares of CCSB Financial Corp., parent of Clay County Savings Bank, both of Liberty, Mo.

▷ Commerce Bank and Trust Holding Company ESOP, filed to acquire up to 30.20 percent of Commerce Bank and Trust Holding Company, parent of CoreFirst Bank & Trust, all in Topeka, Kan.

▷ National Bank Holdings Corporation, Greenwood Village, Colo., filed to acquire, through its subsidiary, NBH Colorado Corp., Greenwood Village, Pine River Bank Corp., parent of Pine River Valley Bank, both in Bayfield, Colo. Immediately thereafter, NBH Colorado Corporation will merge into National Bank Holdings Corp.

▷ UniBanc Corp., Maywood, Neb., filed to acquire Bank of Stapleton, Neb., and to acquire assets of Stapleton Investment Company and thereby engage in general insurance activities.

▷ New Bancorp, Inc., a newly formed Maryland corporation, filed to become a savings and loan holding company through the acquisition of New Buffalo Savings Bank of New Buffalo, Mich. The savings and loan holding company will be formed in connection with the proposed mutual-to-stock conversion of New Buffalo Savings Bank, a federally chartered mutual savings bank.

▷ Hinsdale Bank & Trust Company, Hinsdale, Ill., authorized to merge with Suburban Bank & Trust Company, Elmhurst, Ill., and thereby establish 10 branches.

▷ Gerald Lee Reiter, New London, Minn., and others filed to acquire 25 percent or more of First BancShares, Inc., of Cold Spring, Minn., and thereby acquire control of Granite Community Bank, Cold Spring.

▷ Notice filed by David J. Warnemunde and David D. Warnemunde, both of Madison, Neb., to acquire Madison County Financial, Inc., parent of Madison County Bank, both in Madison.

▷ Pulaski Financial Corp., St. Louis, Mo., authorized to become a bank holding company through the conversion of its subsidiary, Pulaski Bank, Creve Coeur, Mo., from a federal savings bank to a national bank; and for Pulaski Financial Corp., to engage in lending activities.

▷ Exchange State Bank, Adair, Iowa authorized to become a member of the Federal Reserve System.

▷ RCSBank, New London, Mo., authorized to become a member of the Federal Reserve System.

▷ Parkway Bancorp, Inc., Harwood Heights, Ill., filed to acquire Park Bancorp, Inc., Chicago, and acquire Park Federal Savings Bank, Chicago, and thereby operate a savings association.

▷ Change in control notice filed by Sandra Holig and John Holig, Swanville, Minn., to acquire and retain 25 percent or more of Swanville Bancshares, Inc., Swanville, and thereby acquire and retain control of First State Bank of Swanville.

▷ Change in control notice filed by Gregory Fred Bormann, Mitchell, S.D., to acquire 25 percent or more of United Bancorporation, Osseo, Wis., and thereby gain control of Farmers State Bank, Stickney, S.D.; United Bank, Osseo; Clarke County State Bank, Osceola, Iowa; Bank of Poynette, Wis.; Cambridge State Bank, Cambridge, Wis.; and Lincoln Community Bank, Merrill, Wis.

▷ Choice Financial Holdings, Inc., Fargo, N.D. authorized to acquire Northland Financial, Steele, N.D.

▷ CNB Financial Corporation, Litchfield, Minn., has elected to become a financial holding company.

▷ Mary K. Sullivan filed individually and as a trustee of multiple trusts to acquire SBC, Inc., Countryside, Ill., and thereby control Countryside Bank, Countryside.

▷ Stearns Financial Services, Inc., ESOP, Saint Cloud, Minn., filed to retain and acquire additional stock and increase its ownership interest up to 32.48% of Stearns Financial Services, Inc., Saint Cloud, and thereby increase its control of Stearns Bank National Association, Saint Cloud, Stearns Bank of Upsala, N.A., Upsala, Minn., and Stearns Bank of Holdingford, N.A., Holdingford, Minn.

▷ Heartland Financial USA, Inc., Dubuque, Iowa authorized to acquire First Scottsdale Bank, N.A., Scottsdale, Ariz.

▷ Notice by George P. Colis and to acquire a controlling interest in Oxford Financial Corporation, Oak Brook, Ill., and thereby acquire control of Oxford Bank and Trust, Oak Brook.

▷ First State Bancshares, Inc., Farmington, Mo., filed to acquire Central Bank, Lebanon, Mo.

▷ Farmers Bank of Northern Missouri, Unionville, Mo., filed to merge with Flowers National Bank, Cainsville, Mo., and establish branches in Cainsville and Bethany, both in Missouri.

▷ Mid Illinois Bancorp, Inc., ESOP, Peoria, Ill., authorized to become a bank holding company by acquiring shares of Mid Illinois Bancorp, Inc., Peoria, and thereby acquire control of South Side Trust and Savings Bank.

▷ Hometown Bancorp, Ltd., Fond Du Lac, Wis., filed to acquire Farmers Exchange Bank, Neshkoro, Wis.

▷ Equity Bancshares, Inc., Wichita, Kan., filed to acquire First Independence Corporation, parent of First Federal Savings and Loan Association of Independence, both in Independence, Kan., and thereby engage in the operation of a savings association.

▷ Banner County Ban Corp., ESOP and Trust and Banner County Ban Corporation, both of Harrisburg, Neb., filed to acquire Oregon Trail Bank, Guernsey, Wyo.

▷ First State Associates, Inc., Hawarden, Iowa, filed to acquire Miner County Bank, Howard, S.D. □

New to BHCA

The Bank Holding Company Association welcomes the following Associate Members:

CenterState Bank, N.A.
Atlanta, Ga.

Erik Bagwell
AVP, Business Development

CenterState Bank offers correspondent banking services, including clearing/cash management, bond sales, bond accounting, safekeeping, international services, loan hedging, and C&I loan sales.

ESSENTIAL EDUCATION

The Bank Holding Company Association, in partnership with the Minnesota Bankers Association and the Upper Midwest Automated Clearing House Association, is presenting a seminar entitled:

"Board Critical Issues in Cybersecurity"

Tuesday, Dec. 1, 2015
Embassy Suites Hotel
Bloomington, Minn.

Save the date, and watch for more information.



Assessment Tool, Continued from page 8

with clear expectations will appreciate the clear, concise guidance and methodical approach.

Obviously, there are many things to like about what the FFIEC has put together. I believe that it was time for more prescriptive guidance on specific control expectations based on risk and process. There were a few things that were a bit of a disappointment, however.

- It doesn't map very well to the NIST Cybersecurity framework. NIST has become the *de facto* standard for cybersecurity, and many organizations have begun to implement the NIST framework. Institutions that have started down this path will be disappointed that much of the work will need to be repeated in the FFIEC format.
- FFIEC workbooks need to be updated. The last update to the FFIEC Information Security IT Examination workbook was in 2006. A lot has changed since then. This presents some inconsistencies between the FFIEC Cybersecurity Tool and the IT Examination booklets.
- The tool didn't come with batteries. I had expected some automation or online way to streamline the process, not a written work program tool. I feel as though I had asked for a Garmin GPS for Christmas and received a map! There is an opportunity to add efficiency to the process. This is something that Wipfli is working on now and will be introducing shortly.

Final Thoughts

The tool was introduced on June 30. Regulators have indicated that it will incorporate the tool into examinations beginning in late 2015 or early 2016. My recommendation is that institutions become familiar with the Cybersecurity Assessment Tool, identify inherent risk and target maturity levels, and conduct the gap analysis now. This will serve as an excellent communication tool with management and the board about the current status of readiness. It will also be a key input to prioritize any remediation efforts that need additional support and funding. □

Jeff Olejnik is Director of Risk Advisory and Forensic Services at Wipfli, a BHCA Associate Member. Contact him at 952.230.6488 or jolejnik@wipfli.com.

Fed Notes, Continued from page 13

comments require additional processing time to allow the Federal Reserve to evaluate the comment and to give the applicant the opportunity to respond. The majority of public comments the Federal Reserve reviews are related to CRA or fair lending. We encourage applicants to respond in detail to adverse public comments; however, the best way to address these concerns is to avoid them by developing and maintaining strong relationships with local communities before filing an application.

A strong CRA and consumer compliance record can facilitate the applications review process. At the same time, unaddressed weaknesses in CRA and/or consumer compliance or adverse public comments can cause significant delays in the review process and can potentially inhibit approval. If you have questions regarding consumer compliance or CRA factors in the application process, please contact Reserve Bank applications or consumer affairs staff. □

ILLINOIS BANK HOLDING COMPANIES: Part 1 *(Look for Part 2 in next edition of Bank Owner magazine)*

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
1. NORTHERN TRUST CORP., CHICAGO NORTHERN TRUST CO., CHICAGO	109,946,485	109,596,957	26. CBX CORP., CARROLLTON CARROLLTON BANK, CARROLLTON	1,208,844	1,208,588
2. DISCOVER FINANCIAL SERVICES, RIVERWOODS BANK OF NEW CASTLE, DE DISCOVER BANK, GREENWOOD, DE	83,125,845	17,363 81,661,915	27. LAKESIDE BANCORP, INC., CHICAGO LAKESIDE BANK, CHICAGO	1,207,469	1,207,264
3. WINTRUST FINANCIAL CORP., ROSEMONT BARRINGTON BANK & TRUST CO., N.A., BARRINGTON BEVERLY BANK & TRUST CO., N.A., CHICAGO CRYSTAL LAKE BANK & TRUST CO., N.A., CRYSTAL LAKE HINSDALE BANK & TRUST CO., HINSDALE LAKE FOREST BANK & TRUST CO., LAKE FOREST LIBERTYVILLE BANK & TRUST CO., N.A., LIBERTYVILLE NORTHBROOK BANK & TRUST CO., NORTHBROOK OLD PLANK TRAIL COMMUNITY BANK, N.A., NEW LENOX SCHAUMBURG BANK & TRUST CO., N.A., SCHAUMBURG ST. CHARLES BANK & TRUST CO., SAINT CHARLES STATE BANK OF THE LAKES, ANTIOCH TOWN BANK, HARTLAND, WI VILLAGE BANK & TRUST, ARLINGTON HEIGHTS WHEATON BANK & TRUST CO., WHEATON WINTRUST BANK, CHICAGO	20,032,438	1,680,579 791,541 813,880 1,616,198 2,695,351 1,177,765 1,382,619 1,177,197 816,894 718,534 896,070 1,345,924 1,091,098 858,762 3,071,357	28. CUMMINS-AMERICAN CORP., GLENVIEW GLENVIEW STATE BANK, GLENVIEW 29. ALPINE BANCORP., INC., BELVIDERE ALPINE BANK & TRUST CO., ROCKFORD 30. INLAND BANCORP, INC., OAK BROOK INLAND BANK AND TRUST, OAK BROOK 31. BLACKHAWK BANCORP., INC., MILAN BLACKHAWK BANK & TRUST, MILAN 32. FIRST CO BANCORP, INC., COLLINSVILLE FIRST COLLINSVILLE BANK, COLLINSVILLE FIRST COUNTY BANK, NEW BADEN	1,199,411 1,161,850 1,160,956 1,154,361 1,113,815	1,198,304 1,161,382 1,148,005 1,139,912 698,391 410,851
4. PRIVATEBANCORP, INC., CHICAGO PRIVATE BANK AND TRUST CO., CHICAGO	15,603,382	15,574,465	33. BRIDGEVIEW BANCORP, INC., BRIDGEVIEW BRIDGEVIEW BANK GROUP, BRIDGEVIEW	1,101,640	1,095,705
5. MB FINANCIAL, INC., CHICAGO MB FINANCIAL BANK, N.A., CHICAGO	14,602,099	14,571,350	34. MARKET STREET BANCSHARES, INC., MT. VERNON PEOPLES NATIONAL BANK, N.A., MOUNT VERNON	971,109	963,122
6. FIRST MIDWEST BANCORP, INC., ITASCA FIRST MIDWEST BANK, ITASCA	9,445,139	9,314,575	35. FIRST COMM. FINANCIAL PARTNERS, INC., JOLIET FIRST COMMUNITY FINANCIAL BANK, PLAINFIELD	924,075	922,682
7. FIRST BUSEY CORP., CHAMPAIGN BUSEY BANK, CHAMPAIGN	3,665,607	3,603,427	36. FORESIGHT FINANCIAL GROUP, INC., ROCKFORD GERMAN-AMERICAN STATE BANK, GERMAN VALLEY LENA STATE BANK, LENA NORTHWEST BANK OF ROCKFORD STATE BANK, FREEPORT STATE BANK OF DAVIS STATE BANK OF HERSCHER (acquired during 2015)	922,943	211,461 89,392 249,099 225,267 146,064 135,613
8. FIRST AMERICAN BANK CORP., ELK GROVE VILL. FIRST AMERICAN BANK, ELK GROVE VILLAGE	3,419,973	3,407,081	37. AMALGAMATED INVESTMENTS CO., CHICAGO AMALGAMATED BANK OF CHICAGO	918,254	917,417
9. HOMETOWN COMMUNITY BANCORP, INC., MORTON MORTON COMMUNITY BANK, MORTON	2,865,792	2,857,859	38. FIRST EVANSTON BANCORP, INC., EVANSTON FIRST BANK & TRUST, EVANSTON	911,136	904,181
10. MIDLAND STATES BANCORP, INC., EFFINGHAM HEARTLAND BANK, SAINT LOUIS, MO MIDLAND STATES BANK, EFFINGHAM	2,676,798	910,991 1,790,595	39. TRI-COUNTY FINANCIAL GROUP, INC., MENDOTA FIRST STATE BANK, MENDOTA	869,806	869,784
11. AMER. CHARTERED BANCORP, INC., SCHAUMBURG AMERICAN CHARTERED BANK, SCHAUMBURG	2,616,655	2,613,494	40. SPRING BANCORP, INC., SPRINGFIELD BANK OF SPRINGFIELD	857,551	854,981
12. QCR HOLDINGS, INC., MOLINE CEDAR RAPIDS BANK AND TRUST CO., CEDAR RAPIDS, IA QUAD CITY BANK AND TRUST CO., BETTENDORF, IA ROCKFORD BANK AND TRUST CO., ROCKFORD	2,524,958	840,332 1,339,795 355,896	41. FIRST BANKERS TRUSTSHARES, INC., QUINCY FIRST BANKERS TRUST CO., N.A., QUINCY	842,305	834,741
13. HEARTLAND BANCORP, INC., BLOOMINGTON HEARTLAND BANK & TRUST CO., BLOOMINGTON	2,513,840	2,508,876	42. CENTRUE FINANCIAL CORP., OTTAWA CENTRUE BANK, STREATOR	816,441	813,990
14. BYLINE BANCORP, INC., CHICAGO BYLINE BANK, CHICAGO	2,376,449	2,376,449	43. CNB BANK SHARES, INC., CARLINVILLE CNB BANK & TRUST, N.A., CARLINVILLE	788,504	788,764
15. STANDARD BANCSHARES, INC., HICKORY HILLS STANDARD BANK AND TRUST CO., HICKORY HILLS	2,287,169	2,287,197	44. AMERICAN CENTRAL BANCORP., INC., SPRINGFIELD PRAIRIE STATE BANK AND TRUST, SPRINGFIELD	712,280	711,985
16. PARKWAY BANCORP, INC., HARWOOD HEIGHTS PARKWAY BANK AND TRUST CO., HARWOOD HEIGHTS	2,166,748	2,165,002	45. ILLINOIS NATIONAL BANCORP, INC., SPRINGFIELD ILLINOIS NATIONAL BANK, SPRINGFIELD	683,489	682,680
17. WEST SUBURBAN BANCORP, INC., LOMBARD WEST SUBURBAN BANK, LOMBARD	2,109,407	2,108,587	46. MIDWEST COMMUNITY BANCSHARES, INC., MARION FIRST SOUTHERN BANK, MARION	661,378	660,600
18. OLD SECOND BANCORP, INC., AURORA OLD SECOND NATIONAL BANK, AURORA	2,061,787	2,040,425	47. MID ILLINOIS BANCORP, INC., PEORIA SOUTH SIDE TRUST & SAVINGS BANK OF PEORIA	641,217	641,170
19. UNITED COMMUNITY BANCORP, INC., CHATHAM BROWN COUNTY STATE BANK, MOUNT STERLING MARINE BANK & TRUST, CARTHAGE MERCANTILE BANK, QUINCY UNITED COMMUNITY BANK, CHATHAM	1,780,852	92,929 262,999 339,364 1,090,048	48. MARINE BANCORP, INC., SPRINGFIELD MARINE BANK, SPRINGFIELD	617,956	617,803
20. BANC ED CORP., EDWARDSVILLE BANK OF EDWARDSVILLE	1,685,285	1,683,325	49. NI BANCSHARES CORP., SYCAMORE NATIONAL BANK & TRUST CO. OF SYCAMORE	611,812	611,446
21. REPUBLIC BANCORP CO., OAK BROOK REPUBLIC BANK OF CHICAGO, OAK BROOK	1,623,172	1,610,476	50. BANCORP FINANCIAL, INC., OAK BROOK EVERGREEN BANK GROUP, OAK BROOK	609,716	606,007
22. FIRST MID-ILLINOIS BANCSHARES, INC., MATTOON FIRST MID-ILLINOIS BANK & TRUST, N.A., MATTOON	1,607,103	1,600,032	51. FIRST CLOVER LEAF FIN'L. CORP., EDWARDSVILLE FIRST CLOVER LEAF BANK, N.A., EDWARDSVILLE	607,615	607,442
23. MARQUETTE NATIONAL CORP., CHICAGO MARQUETTE BANK, CHICAGO	1,528,869	1,511,567	52. HOME STATE BANCORP, INC., CRYSTAL LAKE HOME STATE BANK, N.A., CRYSTAL LAKE	595,854	594,876
24. BANTERRA CORP., ELDORADO BANTERRA BANK, MARION	1,291,218	1,286,112	53. SBC, INC., COUNTRYSIDE COUNTRYSIDE BANK, COUNTRYSIDE	589,804	589,804
25. BANK OF HIGHLAND PARK FINANCIAL CORP FIRST BANK OF HIGHLAND PARK	1,266,142	1,264,857	54. ALBANK CORP., CHICAGO ALBANY BANK & TRUST CO., N.A., CHICAGO	568,273	566,352
			55. PRIME BANC CORP., DIETERICH FIRST NATIONAL BANK OF DIETERICH	565,665	564,734
			56. PROPHETSTOWN BANKING CO., PROPHETSTOWN FARMERS NATIONAL BANK, PROPHETSTOWN	533,488	533,488
			57. IBC BANCORP, INC., CHICAGO INTERNATIONAL BANK OF CHICAGO	525,384	525,268

Source: Regulatory financial reports filed by bank holding companies and banks, data as of December 31, 2014. *Dollar amounts in thousands

ILLINOIS BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
58.SIGNATURE BANCORP., INC., CHICAGO SIGNATURE BANK, CHICAGO	524,736	524,022	89.PEOPLE FIRST BANCSHARES, INC., PANA PEOPLES BANK & TRUST, PANA	367,885	367,887
59.F.N.B.C. OF LA GRANGE, INC., LA GRANGE FNBC BANK AND TRUST, LA GRANGE	514,067	511,948	90.LBT BANCSHARES, INC., LITCHFIELD BANK & TRUST CO., LITCHFIELD SECURITY NATIONAL BANK, WITT	353,099	267,304 75,435
60.FIRST ILLINOIS BANCORP, INC., EAST SAINT LOUIS FIRST ILLINOIS BANK, EAST SAINT LOUIS LINDELL BANK & TRUST CO., SAINT LOUIS	513,383	45,770 467,009	91.FIRST STATE BANCORP OF MONTICELLO, INC. FIRST STATE BANK, MONTICELLO FIRST STATE BANK OF BLOOMINGTON	349,577	232,369 112,169
61.CENTRAL BANC, INC., GENESEO CENTRAL BANK ILLINOIS, GENESEO	500,634	497,969	92.GC BANCORP, INC., CHICAGO GOLD COAST BANK, CHICAGO	348,414	348,022
62.TOWN & COUNTRY FINANCIAL CORP., SPRINGFIELD TOWN AND COUNTRY BANK, SPRINGFIELD	500,404	497,841	93.GERMANTOWN BANC CORP., GERMANTOWN GERMANTOWN TRUST & SAVINGS BANK, BREESE	347,849	347,849
63.PROVIDENCE FINANCIAL CORP., SOUTH HOLLAND PROVIDENCE BANK & TRUST, SOUTH HOLLAND	495,212	495,146	94.COMMUNITY FINANCIAL SHARES, INC., GLEN ELLYN COMMUNITY BANK-WHEATON/GLEN ELLYN	343,012	343,164
64.BACKLUND INVESTMENT CO., PEORIA BETTER BANKS, PEORIA GLASFORD STATE BANK, GLASFORD STATE STREET BANK AND TRUST CO., QUINCY	494,593	273,934 34,700 185,937	95.ILLINI CORP., SPRINGFIELD FARMERS STATE BANK OF CAMP POINT ILLINI BANK, SPRINGFIELD	340,744	48,128 291,766
65.PONTIAC BANCORP, INC., PONTIAC BANK OF PONTIAC	490,636	489,937	96.GREATER CHICAGO FINANCIAL CORP., CHICAGO AUSTIN BANK OF CHICAGO	339,418	339,180
66.FIRST STAUNTON BANCSHARES, INC., STAUNTON FIRST NATIONAL BANK IN STAUNTON	479,554	479,526	97.HOMESTAR FINANCIAL GROUP, INC., MANTENO HOMESTAR BANK AND FINANCIAL SERVICES, MANTENO	338,829	338,181
67.NATIONAL BANCORP, INC., SCHAUMBURG AMERICAN MIDWEST BANK, SYCAMORE	479,521	478,740	98.COUNTRY BANCORP, INC., HILLSBORO NATIONAL BANK, HILLSBORO	338,208	336,375
68.AMERICAN COMM. FINANCIAL, INC., WOODSTOCK AMERICAN COMMUNITY BANK & TRUST, WOODSTOCK	478,471	477,925	99.MIDAMERICA NAT'L. BANCSHARES, INC., CANTON MIDAMERICA NATIONAL BANK, CANTON	335,741	333,266
69.SUBURBAN ILLINOIS BANCORP, INC., ELMHURST SUBURBAN BANK & TRUST CO., ELMHURST	470,549	470,085	100.LINCOLN S.B. CORP., LINCOLN STATE BANK OF LINCOLN	333,038	333,038
70.CORNERSTONE BANCORP, INC., PALATINE CORNERSTONE NATIONAL BANK & TRUST CO., PALATINE	470,155	469,845	101.FIRST STATE BANCORP., INC., PEORIA FIRST STATE BANK OF ILLINOIS, PEORIA	312,858	311,754
71.FIRST EAGLE BANCSHARES, INC., CHICAGO FIRST EAGLE BANK, CHICAGO	456,009	454,819	102.FIRST VANDALIA CORP., VANDALIA FIRST NATIONAL BANK, VANDALIA	312,295	311,810
72.FAIRFIELD BANCSHARES, INC., FAIRFIELD FAIRFIELD NATIONAL BANK, FAIRFIELD	450,719	450,885	103.FIRST NEIGHBORHOOD BANCSHARES, INC., TOLEDO FIRST NEIGHBOR BANK, N.A., TOLEDO	312,120	312,119
73.ITASCA BANCORP INC., ITASCA ITASCA BANK & TRUST CO., ITASCA	450,060	450,060	104.JACKSONVILLE BANCORP, INC., JACKSONVILLE JACKSONVILLE SAVINGS BANK, JACKSONVILLE	311,925	311,888
74.OXFORD FINANCIAL CORP., OAK BROOK OXFORD BANK & TRUST, OAK BROOK	445,182	444,707	105.CITIZENS BANCORP., INC., MASCOUTAH CITIZENS COMMUNITY BANK, MASCOUTAH	307,762	307,691
75.FIRST BANCTRUST CORP., CHAMPAIGN FIRST BANK & TRUST, PARIS	433,751	433,275	106.SV FINANCIAL, INC., STERLING SAUK VALLEY BANK & TRUST CO., STERLING	307,564	307,402
76.WESTERN ILLINOIS BANCSHARES, INC., MONMOUTH MIDWEST BANK OF WESTERN ILLINOIS, MONMOUTH	426,015	425,492	107.SUMMIT BANCSHARES, LTD., OLNEY FIRST NATIONAL BANK IN OLNEY	306,528	306,517
77.NORTHERN STATES FINANCIAL CORP., WAUKEGAN NORSTATES BANK, WAUKEGAN	422,023	421,702	108.LIBERTY BANCSHARES, INC., ALTON LIBERTY BANK, ALTON	299,326	299,324
78.SEAWAY BANCSHARES, INC., CHICAGO SEAWAY BANK AND TRUST CO., CHICAGO	420,013	419,968	109.ELGIN BANCSHARES, INC., ELGIN UNION NATIONAL BANK, ELGIN	298,434	290,252
79.STILLMAN BANCORP, INC., STILLMAN VALLEY STILLMAN BANCORP, N.A., STILLMAN VALLEY	419,910	420,067	110.OAK PARK RIVER FOREST BNKSHRS, INC. COMMUNITY BANK OF OAK PARK RIVER FOREST	297,044	293,954
80.SOUTHERN ILLINOIS BANCORP, INC., CARMI FIRST NATIONAL BANK OF CARMI	409,115	408,043	111.SECURITY FIRST BANCSHARES INC., O'FALLON BANK OF O'FALLON	292,992	292,632
81.SCB BANCORP, INC., DECATUR SOY CAPITAL BANK AND TRUST CO., DECATUR	401,176	401,175	112.FIRST ELDORADO BANCSHARES, INC., ELDORADO LEGENCE BANK, ELDORADO	292,019	291,666
82.ORION BANCORP., INC., ORION BANKORION, ORION	397,993	397,410	113.FIRST APPLE RIVER CORP., APPLE RIVER APPLE RIVER STATE BANK, APPLE RIVER	290,213	290,213
83.CITY NATIONAL BANCORP, INC., METROPOLIS CITY NATIONAL BANK OF METROPOLIS	397,531	399,320	114.AMERICAN BANCORP OF ILLINOIS, INC., OAK BROOK PAN AMERICAN BANK, MELROSE PARK	287,729	281,996
84.EDGAR COUNTY BANC SHARES, INC., PARIS EDGAR COUNTY BANK AND TRUST CO., PARIS	391,257	391,254	115.COMMUNITY BANK CORP., PARK RIDGE PARK RIDGE COMMUNITY BANK, PARK RIDGE	287,055	286,800
85.LONGVIEW CAPITAL CORP., NEWMAN BANK OF GIBSON CITY, GIBSON CITY FIRST NATIONAL BANK IN GEORGETOWN LONGVIEW BANK, OGDEN STATE BANK OF CHRISMAN	388,375	76,272 50,946 168,408 81,879	116.CITIZENS BANCSHARES, INC., ALBION CITIZENS NATIONAL BANK OF ALBION	284,964	284,962
86.ILLINOIS STATE BANCORP, INC., CHICAGO BANK OF BOURBONNAIS FIRST NATIONS BANK, CHICAGO	385,467	86,706 299,287	117.BELMONT FINANCIAL GROUP, INC., CHICAGO BELMONT BANK & TRUST CO., CHICAGO	282,815	282,642
87.FIRST WATERLOO BANCSHARES, INC., WATERLOO FIRST NATIONAL BANK OF WATERLOO PRAIRIE NATIONAL BANK, STEWARDSON (acquired in 2015)	382,700	382,327 51,849	118.FIRST OTTAWA BANCSHARES, INC., OTTAWA FIRST NATIONAL BANK OF OTTAWA	273,417	273,113
88.RESOURCE BANCSHARES, INC., DEKALB RESOURCE BANK, N.A., DEKALB	381,519	381,921	119.FIRST ROBINSON FINANCIAL CORP., ROBINSON FIRST ROBINSON SAVINGS BANK, N.A., ROBINSON	271,356	271,168
			120.TRIVOLI BANCORP, INC., TRIVOLI HERITAGE BANK OF CENTRAL ILLINOIS, TRIVOLI	270,307	269,870
			121.ILLINOIS VALLEY BANCORP, INC., MORRIS GRUNDY BANK, MORRIS	268,756	265,520

Source: Regulatory financial reports filed by bank holding companies and banks, data as of December 31, 2014. *Dollar amounts in thousands

ILLINOIS BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
122.BRADFORD BANCORP, INC., GREENVILLE BRADFORD NATIONAL BANK OF GREENVILLE	267,500	267,495	156.TEUTOPOLIS HOLDING CO., TEUTOPOLIS TEUTOPOLIS STATE BANK, TEUTOPOLIS	207,197	207,197
123.SOUTHERN WIS. BANCSHARES CORP., INVERNESS262,791 FARMERS SAVINGS BANK, MINERAL POINT, WI		260,765	157.BUENA VISTA BANCORP, INC., CHESTER BUENA VISTA NATIONAL BANK, CHESTER	206,745	205,954
124.OGLE COUNTY BANCSHARES, INC., ROCHELLE 260,517 FIRST NATIONAL BANK AND TRUST CO. OF ROCHELLE		260,395	158.FREEPORT BANCSHARES, INC., FREEPORT MIDWEST COMMUNITY BANK, FREEPORT	204,666	204,238
125.FIRST BUSINESS BANCORP CO., CHICAGO 257,176 SOUTH CENTRAL BANK, N.A., CHICAGO		258,204	159.RUSH-OAK CORP., CHICAGO OAK BANK, CHICAGO	204,324	203,840
126.EAGLE FINANCIAL CORP., CASEY 255,508 CASEY STATE BANK, CASEY		255,507	160.BUILDERS FINANCIAL CORP., CHICAGO BUILDERS BANK, CHICAGO	204,282	204,282
127.CHICAGO SHORE CORP., CHICAGO 251,628 DELAWARE PLACE BANK, CHICAGO		248,595	161.FIRST BANCORP OF TAYLORVILLE, INC. FIRST NATIONAL BANK IN TAYLORVILLE	203,952	203,952
128.PEOPLES FINANCIAL CORP. OF ILL., INC., KEWANEE251,567 PEOPLES NATIONAL BANK OF KEWANEE		249,372	162.STARK COUNTY BANCORP, INC., TOULON STATE BANK OF TOULON	202,514	202,513
129.COMMUNITY ILLINOIS CORP., ROCK FALLS 251,375 COMMUNITY STATE BANK OF ROCK FALLS		251,243	163.STEELEVILLE BANCSHARES, INC., STEEEVILLE 202,333 FIRST NATIONAL BANK OF STEEEVILLE		200,601
130.ORCHID FINANCIAL BANCORP, INC., SOUTH ELGIN 248,535 AMERICAN EAGLE BANK, SOUTH ELGIN AMERICAN EAGLE BANK OF CHICAGO		171,208 77,244	164.TAMMCORP, INC., TAMMS CAPAHA BANK SB, TAMMS	199,188	199,051
131.ALIKAT INVESTMENTS, INC., GURNEE 247,776 NORTHSIDE COMMUNITY BANK, GURNEE		246,444	165.SPRING VALLEY BANCORP, INC., SPRING VALLEY 197,035 SPRING VALLEY CITY BANK, SPRING VALLEY		197,035
132.NORTHWEST BANCORP. OF ILLINOIS, INC., PALATINE243,531 FIRST BANK AND TRUST CO. OF ILLINOIS, PALATINE		243,531	166.METROPOLITAN CAPITAL BANCORP, INC., CHICAGO192,715 METROPOLITAN CAPITAL BANK & TRUST, CHICAGO		192,021
133.DEVON BANCORP, INC., CHICAGO 243,065 DEVON BANK, CHICAGO		242,592	167.TOMPKINS BANCORP, INC., AVON 191,992 TOMPKINS STATE BANK, AVON		191,992
134.PIKE BANCORP, INC., PITTSFIELD 241,599 FARMERS STATE BANK, PITTSFIELD		241,597	168.WEST PLAINS INVESTORS, INC., JACKSONVILLE 191,165 PREMIER BANK OF JACKSONVILLE		190,880
135.FGH BANCORP, INC., HERRIN 239,689 BANK OF HERRIN		239,689	169.FARMERS HOLDING CO., JACKSONVILLE 190,034 FARMERS STATE BANK AND TRUST CO., JACKSONVILLE		189,932
136.FIRST TRUST HOLDINGS, INC., WATSEKA 238,278 FIRST TRUST AND SAVINGS BANK OF WATSEKA		238,376	170.MCLAUGHLIN HOLDING CO., MOLINE 189,962 SOUTHEAST NATIONAL BANK, DAVENPORT, IA		182,762
137.A. E. BANCORP, INC., BUFFALO GROVE 231,924 AMERICAN ENTERPRISE BANK, BUFFALO GROVE		231,502	171.STC BANCSHARES CORP., SAINT CHARLES 189,959 STC CAPITAL BANK, SAINT CHARLES		189,772
138.FIRST LENA CORP., LENA 230,534 CITIZENS STATE BANK, LENA		235,698	172.HIGH POINT FINANCIAL SERVICES, INC., FORRESTON189,198 FORRESTON STATE BANK, FORRESTON		186,672
139.FIRST SECURITY BANCORP, INC., ELMWOOD PARK 229,538 FIRST SECURITY TRUST AND SAVINGS BANK, ELMWOOD PARK		228,434	173.HOLCOMB BANCORP, INC., HOLCOMB 187,930 HOLCOMB STATE BANK, HOLCOMB		187,930
140.FIRST TRUST FINANCIAL CORP., KANKAKEE 227,934 FIRST TRUST BANK OF ILLINOIS, KANKAKEE		227,934	174.SPEER BANCSHARES, INC., SPEER 187,244 STATE BANK OF SPEER		187,244
141.UNION COUNTY BANCSHARES, INC., ANNA 227,870 ANNA-JONESBORO NATIONAL BANK, ANNA		227,869	175.ALLENDALE BANCORP, INC., ALLENDALE 186,983 FIRST NATIONAL BANK OF ALLENDALE		186,896
142.BYRON BANCSHARES, INC., BYRON 226,002 BYRON BANK, BYRON		225,557	176.FARMERS & MERCH. BANCSHARES, INC., NASHVILLE180,425 FARMERS AND MERCHANTS NATIONAL BANK OF NASHVILLE		179,441
143.MERCHANTS AND MAN. BANK CORP., CHANNAHON225,163 MERCHANTS AND MANUFACTURERS BANK, JOLIET		203,813	177.SECURITY BANCORP, MHC, MONMOUTH 179,725 SECURITY SAVINGS BANK, MONMOUTH		179,725
144.FARMERS STATE HOLDING CORP., HARRISBURG 220,696 FARMERS STATE BANK OF ALTO PASS		219,038	178.RICH LAND BANCORP, INC., OLNEY 179,136 TRUSTBANK, OLNEY		179,136
145.CARBONDALE INVESTMENT CORP., CARBONDALE 218,693 BANK OF CARBONDALE		215,500	179.AMBOY BANCORP, INC., AMBOY 179,036 FIRST NATIONAL BANK IN AMBOY		179,036
146.ALBANY BANCSHARES, INC., ALBANY 217,419 FIRST TRUST & SAVINGS BANK OF ALBANY		217,420	180.STATELINE COMM. BNCSHRS, INC., ORANGEVILLE 176,863 COMMUNITY BANK, WINSLOW		176,863
147.BANCORP OF RANTOUL, INC., RANTOUL 216,397 BANK OF RANTOUL		217,334	181.FIRST COMMUNITY FINANCIAL CORP., ELGIN 172,881 FIRST COMMUNITY BANK, ELGIN		170,653
148.HARVARD BANCSHARES, INC., HARVARD 215,002 HARVARD STATE BANK, HARVARD		215,002	182.PETEFISH, SKILES & CO., VIRGINIA 172,551 PETEFISH, SKILES & CO., VIRGINIA		172,542
149.COMMUNITY INVESTMENT GROUP, LTD., HAVANA 214,995 HAVANA NATIONAL BANK, HAVANA		214,750	183.CEDAR BANCORP, INC., MOUNT VERNON 171,486 COMMUNITY FIRST BANK OF THE HEARTLAND, MOUNT VERNON		171,486
150.SHELBY COUNTY BANCORP, INC., SHELBYVILLE 214,933 SHELBY COUNTY STATE BANK, SHELBYVILLE		214,413	184.MINIER FINANCIAL, INC., MINIER 170,245 FIRST FARMERS STATE BANK, MINIER		170,245
151.FIRST FOREST PARK CORP., FOREST PARK 214,581 FOREST PARK NATIONAL BANK AND TRUST CO., FOREST PARK		214,529	185.WONDER BANCORP, INC., WONDER LAKE 167,538 STATE BANK, WONDER LAKE		167,538
152.LASALLE BANCORP, INC., LA SALLE 211,449 HOMETOWN NATIONAL BANK, LA SALLE		211,212	186.LWCBANCORP, INC., NEW LENOX 167,381 LINCOLNWAY COMMUNITY BANK, NEW LENOX		167,208
153.MARKET PLACE BANCSHARES, INC., CHAMPAIGN 209,589 BANKCHAMPAIGN, N.A., CHAMPAIGN		209,354	187.HOMETOWN FINANCIAL GROUP, INC., FLANAGAN 167,262 FLANAGAN STATE BANK, FLANAGAN		166,793
154.GRAYMONT BANCORP, INC., GRAYMONT 209,344 STATE BANK OF GRAYMONT		209,344	188.FIRST PERSONAL FINANCIAL CORP., ORLAND PARK165,240 FIRST PERSONAL BANK, ORLAND PARK		164,406
155.WEST CENTRAL BANCSHARES, INC., ASHLAND 207,388 WEST CENTRAL BANK, ASHLAND		207,292	189.T&C BANCORP, INC, QUINCY 165,120 TOWN AND COUNTRY BANK MIDWEST, QUINCY CITIZENS BANK (indirectly owned through No. Missouri Bancorp, Inc., Edina, MO)		160,220 68,800

Source: Regulatory financial reports filed by bank holding companies and banks, data as of December 31, 2014. *Dollar amounts in thousands

The BHCA: A UNIQUE VALUE for bank owners, officers and directors

If you are a bank owner, the Bank Holding Company Association is the *right* organization for you. Whether your ownership consists of a few shares or 100 percent, you will find BHCA membership delivers unique value to bank owners like you.

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"At the October 2008 seminar, one of the breakout speakers showed that Municipals were under-valued relative to Treasuries. Realizing the Fed would be lowering rates to zero sooner or later, we moved ALL our Fed Funds into Municipals — not longer than five years, and Midwest only. That locked in \$70,000 of income per year. For a \$40 million bank, that has made a difference." - Douglas Farmer, Golden Oak Bancshares, Inc., Holmen, Wis.

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Nov. 5

***Part 1: What the Board needs
to know about Cybersecurity***
Presented by Jeff Olejnik, Wipfli

Technology has become such an important part of banking that cybersecurity is now an important topic for the board of directors. You've read about the security breaches. How are you preparing to protect against a cyber attack? Olejnik will discuss the tech security basics that every board should be considering.

Nov. 12

Part 2: Bank Secrecy Act training
Presented by Linda Albrecht, Eide Bailly

BSA awareness by financial institution boards remains a focus of regulators, and periodic director education on the subject is a must. This webinar recaps the basic rules you need to know, as well as provides a glimpse into the impact on bank staff.

Nov. 19

***Part 3: Compliance issues
the Board can't ignore***
*Presented by Karen Grandstrand,
Fredrikson & Byron*

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