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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:

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.

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There are many reasons to like the BHCA, attend its seminars

I am in my fifth year of service on the Bank Holding Company Association board of directors, and our holding company has been a member of the association for many years. I find it very valuable to be a member of the association. I always get something out of the seminars. In addition, the website, magazine and other benefits are very worthwhile. I think the BHCA is one of the best trade groups going and I am glad you are a part of it as well.

We recently asked a few of our members why they are BHCA members; I thought you might be interested to read some of the answers:

From Tim Siegle of First Holding Company of Cavalier, Inc., Cavalier, N.D. – “Belonging to the BHCA has been beneficial to our bank. The opportunity to network with bankers from our region has become valuable. Also, connecting with the various associate members is extremely informative.”

From Rick Wall, Highland Bancshares, Inc., Minnetonka, Minn. – “The BHCA has given me a central place to get to know other bank owners. Knowing other owners has led me to expand my business through participations. I also have benefited from connecting with peers to discuss challenges.”

From Erick Gandrud of Eagle Investment Company, Glenwood, Minn. – “I am a BHCA member to further my professional development in the banking industry by making valuable business and social connections with other bank owners.”

From Mary Jayne Crocker, Bridgewater Bancshares, Inc., Bloomington, Minn. — “The BHCA provides a unique perspective on issues facing bank holding companies that isn't available elsewhere. There are several associations that cater to banks but no other association caters specifically to the challenges of a holding company.”

Our Spring and Fall Seminars are the main platforms we have for providing education to our members. Here is what some of our members had to say about the seminars:

Randy Newman, Alerus Financial, Grand Forks, N.D. – “Very affordable conference with relevant and timely subject matter issues. It has also become a very relevant and valuable networking event.”

Paul Means, Great River Holding Company, Baxter, Minn. — “It has been one of my primary resources to keep abreast of changes and current events in the banking industry. The BHCA provides its members with a good value for the level of services it provides.”

Tim Siegle – “I attend the BHCA seminars because the content is so strong. I am able to implement what I have learned. Most of the issues addressed at the seminars deal with a unique look from a bank ownership perspective.”

Mary Jayne Crocker – “I always leave the BHCA seminars feeling better informed but not overwhelmed.”

If you have not attended a BHCA seminar in a while, I highly encourage you to attend our next seminar, set for Oct. 2-3 at the Hyatt Regency in Bloomington, Minn.

I was thinking recently about all the opportunities bankers have to attend industry meetings. If you are like me, you get invitations to literally dozens of meetings per year. No one could ever attend all of them – at some point, you actually have to be at your desk and do some work! Most industry meetings are pretty well done, so how do you go about determining which ones to attend. Here are some of the things I consider:

First, how relevant is the meeting topic to my situation? I like a seminar or conference that is focused on the things I face in my work every day. General topics, like leadership and efficiency,



By Chad Bergan
Dakotah Banks, Inc.
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The timing is right for a seminar featuring M&A information

Since assuming the responsibilities of the Managing Director of this association in January, 2011, I have sincerely come to enjoy the process of planning for and preparing our two major seminars each year. Each seminar has its own “behind the scenes” story, and with this column, I want to give you a glimpse into the 2017 Fall Seminar, which is set for Oct. 2-3 at the Hyatt Regency Bloomington-Minneapolis. This magazine contains seminar information and a registration form.

For a number of years, I have been aware of the very successful Acquire or Be Acquired conference put on by *Bank Director* magazine each January in Phoenix. I have had the opportunity to attend the event three times, including the most recent one earlier this year. Presenters include experts from many of the nation’s leading investment banking firms, accounting firms, law offices, and other consultancies. While a banker from any size institution could learn a lot at one of these conferences, my sense is people from larger institutions – say those with \$1 billion in assets or more – probably benefit most. Many of the scenarios and opportunities examined at the conference center on larger banks.

In recent years, I have come to believe there is an opening for an organization such as the Bank Holding Company Association to present an M&A conference focused on smaller institutions – say, those with \$1 billion in assets or less. There are thousands of banks in the Midwest with a few hundred million dollars in assets, or even less than \$100 million, owned by people who really could benefit from a better understanding of the M&A arena. Whether a bank owner has an exit strategy that involves sale of the institution, or a strategic plan for growth that calls for acquisitions, knowledge about how the M&A process works is valuable. Even if a bank owner has no plans to sell or buy, the knowledge is valuable because you never know when you will receive an unsolicited offer. You and your board will want the best information to consider the offer in the most prudent manner possible.

And I am not alone in my thinking. We are fortunate in the Midwest to have many excellent firms that have abundant experience facilitating community bank mergers and acquisitions. Many of those firms are BHCA Associate Members, and some have even approached me over the years to encourage the association to present more programming around M&A. We have had experts address various topics in the M&A arena at many of our previous seminars, but typically we have not offered more than one such presentation per seminar. I never wanted to mislead anyone into thinking the BHCA is encouraging industry consolidation. We absolutely want to see more banks and more bank holding companies, not fewer. However, it is important to consider it is not the number of acquisitions that is high compared

to previous years in the last three decades or so, but it is the number of *de novos* that is historically low – that is what is leading to the accelerated rate of decline in the overall number of institutions.

Earlier this year, I shared with the members of the BHCA board of directors my interest in doing an M&A seminar aimed at community banks in the Midwest. My idea was that we would price it economically so bankers could attend without worrying about cost.

Furthermore, I felt confident the event would appeal to far more bankers than solely our current members. My thinking is that with this topic, we have the opportunity to market to non-members all throughout the Midwest. Those who decide to attend not only get a great seminar, but they also get a great advertisement for membership. While we typically attract 10 or fewer non-members to any of our seminars, my hope is to attract many more to this seminar and then encourage those folks to become members.

Board members agreed M&A would be a good topic for our seminar, and encouraged an expanded format that would involve programming all day on Monday. We have, therefore, expanded the seminar to begin at 9 a.m. on Monday. The entire first day’s programming will focus on M&A topics. Check out the schedule elsewhere in this edition. We are offering eight presentations on topics ranging from M&A overview, to opportunities for raising capital, to credit unions as buyers, to bank valuation, and more. I am so grateful to our Associate Members who stepped up to the plate to present.

Our Associate Members also stepped up with incredible sponsorship support, so we are able to offer an expanded format without increasing the registration price of the seminar. We have more Diamond Level sponsors set for this fall’s event than ever before. When you come to the seminar, be sure to thank anyone you see with a “sponsor” ribbon on their name tag.

Tuesday’s programming will be formatted more similarly to that of previous seminars. We will have four break-out sessions and conclude with a luncheon presentation from UMB economist KC Mathews. We are again inviting our friends from the Risk Management Association to join us for lunch.

Our Tuesday morning schedule opens with two dynamic presentations. First, we feature a panel of bankers who have figured



By Tom Bengtson
BHCA Managing Director

Five ways your next acquisition will disappoint, and three strategies to guarantee it won't

It's a feeding frenzy of acquisitions now—seems like most banks are either preparing for an acquisition or preparing to be acquired.

Unfortunately, most of the preparation efforts are ignoring the reasons that acquisitions fail to meet their financial objectives. In fact, three studies in the *Strategic Management Journal* show acquisitions fail to increase value an astonishing 70 percent to 80 percent of the time, which is proof the typical approach is not working.

Hope springs eternal. That said, you are dealing with somebody else's money and they expect a solid return from the acquisition.

Here are five major mistakes that kill profit potential:

Accepting lost customers as a 'given'

Conventional wisdom, shared at M&A conferences as just "the way things are," is that you will lose 30 percent of your acquired customers. Sadly, the way that most banks do acquisitions, this is true, but it doesn't have to be this way.

The accepted practice is to invest your time, money and focus on legal and IT systems. These are very necessary, but you can't stop there and expect to keep customers. The "one letter" explaining how proud you are to welcome them, when it will happen, and the great services you'll offer isn't enough. You need a plan of execution where they feel like you are "kissing them on the lips until they chap."

Customers must be absolutely clear about your "unique selling propositions" (USPs)—what differentiates you — and they must be presented in a believable way. If your USPs don't get them extremely excited, it's unlikely they'll stay with you.

Forget telling customers about great customer service, good people and responsiveness. Those are platitudes, NOT the differentiation that attracts and keeps the low-risk, high-profit clientele you want.

Fractured executive team

Many executive teams play nice, but it only takes one bad apple to create chaos. One passive-aggressive type who has "meetings outside of meetings" or slyly messes with others' minds can lead to your best employees running for the exits — and taking customers with them.

Some who are chosen for the new executive team may not pan out. You then must either keep them and risk an environment of complacency, or terminate them and potentially be perceived as the "heartless wolves disguised as nice executives," damaging trust.

Culture chaos

Nearly all acquisitions include at least some level of "us vs. them" cultural conflicts that last two mentally and financially excruciating years.

Recently, one CEO (secretly) shared

that the two years following an acquisition were the worst years of his career.

According to hundreds of studies, culture is the leading predictor of future growth and profitability, and now you have a larger organization to scatter your energy and more people wandering aimlessly, with no clear understanding of how to improve organic growth and command premium pricing.

No best-prospects in-market 'massive attraction' plan

You have a short window during which everyone in the community notices a new bank has come to town. You don't want to merely avoid current customers leaving and creating negative PR. You want to create a feeding frenzy of top customers evangelizing about why this is the best thing to happen to your market in years.

The number of banks that have pulled this off is very small. However, this is where all the money is made.

Remember that in most community banks the top 100 customers account for 50 percent to 140 percent of your bank's profits. If you attract prospects who can bring that same bottom-line impact, you are assured a massive ROI from your acquisition.

Typically, attempts to get those customers involve buying a list of "demographics" and mailing to them a few times. You need a plan that will get them coming to you quickly, and

not with rate-matching requests, but with the belief you are worth much more.

No tie-everyone-to-profit alignment plan

The best acquisitions are those where average performers are radically improving in performance within six weeks and feeling like rock stars. That doesn't just happen by itself; in fact, the opposite often does. If you miss your chance to inspire extreme improvement and see it within weeks, it's going to be a long haul until you see it later.

Most banks don't know how to execute on transformation within this critical timeframe. Others are so caught up in the "conversion" they don't understand missing out on this opportunity is exactly why more than 80 percent of acquisitions fail to reach their projections.

If you've experienced any of these, you are not alone. Almost every bank has, in fact, experienced each of these five — even after several acquisitions.

Here are three things you can do to help ensure your next acquisition is a financial home run that preserves the culture you worked so hard to create.

Create your predictable success machine

In every highly successful organization, everyone understands each function — how they balance the books, how they get a lead, how they convert a lead.

You need to make sure you have every major system — especially those tied to profitable revenue creation — defined with results that

are consistent and trending upward. Growth should not be accomplished by acquisition — it should be strategically enhanced. If you can't grow more profitable organically, an acquisition only compounds existing problems.

Forget job descriptions and 'sales training'

If you don't have an integrated marketing and sales system designed to close at least 90 percent of those in your pipeline, and a system to attract and close the best prospects in your market at premium pricing, you're not ready for an acquisition.

If you're not ready, hold off for six months and first get your team performing in an exemplary fashion. Then build the franchise systems so your optimized system can never be lost.

Present a transformative kick-off. Remember the famous Jerry Maguire movie line: "You had me at hello." THAT is how your new teammates must feel within a week of the acquisition. If they're not going home to embroider your vision on their pillow covers, you don't stand a chance of a good ROI from your expensive investment.

They must be passionate about what you are doing and see the passion in the eyes of the team that has been with you for a while. They must be saying, "I'll have what they're having."

Don't share a lengthy story involving your history, asset size and platitudes. That will turn them off. They need to see the fire in your belly about what you do for customers.

Create a performance culture first

Hope is not a strategy. The start you need is a series of systems that moves your culture score up every year while you ask for more accountability and all employees know exactly how they tie to profit.

But even that is not enough. You need an iron-clad system to help your new team members "catch the bug" of infectious enthusiasm. You don't just want to have happy people — the system must include alignment with profitability metrics and integrated learning systems to make sure they get the "on demand" learning necessary to win at their jobs.

There is a way to ensure that your acquisition is extremely profitable, so you can, if you want, move quickly to the next. Apply these three strategies to make sure you can sleep at night and not have your legacy destroyed by one well-meaning but poorly executed move. ■

Roxanne Emmerich is the Chairman of the Institute for Extraordinary Banking and CEO of The Emmerich Group where she works with the Best Banks in America™ to create predictable success franchise systems for safety, growth, and profit. She will address the BHCA Fall Seminar, "Buy, Sell or Hold: Strategies for Success," on Oct. 3

Reality TV versus reality; America is watching

Reality TV is very popular. We enjoy watching people be voted off the island, search for love and get fired on national television. Included in this group is our new president, who was the host of “The Apprentice” for a number of years. Since his inauguration, President Donald Trump is faced with reality, which does not include retakes, professional editing and an audience who enjoys both failure and success. But, his new job does include balancing an active audience’s perceptions and actual reality, particularly as it relates to the economy and some of his key initiatives.

Paradigm Shift

Trump has suggested a paradigm shift by stimulating economic growth through fiscal policy and government spending, rather than relying on monetary policy and lower interest rates. While the economic fundamentals have been improving for several quarters, which contributes to positive public perception, Trump’s proposed fiscal policy stimulus will have a relatively minor impact on long-term economic growth.

The empirical evidence suggests that when the economy is at full employment, any fiscal policy stimulus will have a temporary impact on growth, four to six quarters at best. In reality, fiscal policy stimulus does one thing on a long-term basis – it increases the national debt.

Tax Cuts

The president, along with others such as Treasury Secretary Steven Mnuchin, has suggested tax cuts will pay for themselves by boosting economic growth. There is no evidence to support this idea. Rather, historical reality suggests cutting taxes will increase the federal debt burden.

Former President Ronald Reagan in the early 1980s and former President George W. Bush in the early 2000s both cut taxes, yet there is little evidence that economic activity improved. However, we do know the national debt mushroomed in both cases.

Repatriation of Foreign Profits

In 2004, the American Jobs Creation Act was passed. Part of the plan covered the repatriation of overseas profits at a reduced rate of 5.25 percent. In 2004, five companies, primarily pharmaceutical, dominated the almost \$1 trillion foreign profit stockpile.

Only one-third of the total cash came back to the United States. Most of the money went to repairing corporate balance

sheets and rewarding shareholders with share repurchases. Eighteen billion dollars did go into the U.S. Treasury’s coffer. The nonpartisan Congressional Research Service said the program was an ineffective means of increasing economic growth.

Today, the reality is that a small number of technology companies dominate the \$2.5 trillion cash balances overseas. If offered a tax reprieve on repatriating foreign profits, history tells us the same behaviors will result – higher dividends and more share repurchases, which, I believe, will not materially impact the economy.

Multiplier Effect

The multiplier effect is a phenomenon where given a change in a particular input, such as government spending, a larger change in an output occurs, such as gross domestic product (GDP).

We are about to see a paradigm shift in the United States – moving from monetary policy stimulus (interest rates) to fiscal policy stimulus (government spending). The million dollar question is, “Will it promote economic growth?” The Congressional Budget Office provides historical analysis on the efficacy of fiscal spending. The multipliers show that any form of increased government spending would have a higher multiplier effect than any form of tax cuts.

Economic Reality

There are two primary drivers of long-term economic growth, labor force growth rate and productive gains. Labor force growth rate in the United States is approximately 1.2 percent. Non-farm productivity year-over-year growth is 1.1 percent. Add them together, and you have a 2.3 percent trend GDP over the next few years. We could realize one or two quarters of 3.0 percent or greater GDP, but it’s not sustainable.

However, this is not a doomsday conclusion. If we do experience trend GDP between 2.0 and 2.5 percent, it will allow companies to grow revenues and earnings. This in turn will support higher stock prices.

Trump’s term has really just begun. And what many reality television enthusiasts, and the president himself, may be finding out is that reality TV can be fun to watch, but the reality of the political process may not be. ■

KC Mathews, CFA, is executive vice president and chief investment officer at UMB Bank, Kansas City, Mo. He will be the luncheon speaker at the BHCA Fall Seminar on Oct. 3.

Fed Notes is provided through a partnership the Bank Holding Company Association shares with the Federal Reserve Bank of Minneapolis.

Addressing a Proposed Business Plan within an Application or Notice

By Zachary Lundquist

Applications or notices to acquire control of, merge with or form a holding company over a banking organization require the Federal Reserve to consider the business plan and associated strategic risk of the organization going forward. However, in many cases filers do not provide sufficient detail for us to fulfill our requirement to review this key factor. Consequently, such applications or notices face delays in processing and even a potential barrier to approval.

Acquisitions, mergers and bank holding company formations are required to meet various statutory and regulatory factors as well as satisfy potential supervisory concerns based on the unique facts and circumstances of each proposal. One statutory factor that may be less known to potential filers is future prospects. A review of future prospects contemplates the effect such a proposal has on the safety and soundness of a firm and its ability to implement a business plan without a significant increase to its risk profile. Therefore, we consider whether changes or strategies within a proposal are viable under the organization's current and anticipated economic and operating environment. To facilitate timely processing of such an application or notice, filers should provide clear and informationally complete documentation that describes how the organization will manage any changes or new strategies within operations, management, balance sheet competition, products or performance.

Amongst the most common areas in a proposed business plan that are informationally deficient or problematic are: 1) management, 2) balance sheet composition/concentrations, and 3) overly optimistic metrics/aggressive strategies of the pro forma organization.

Management

Whether a proposed business plan includes changes or new strategies within general operations, nature of business, product offerings or personnel, the filing should sufficiently demonstrate the competence and experience of the organization's management in implementing such changes or strategies going forward. Overall operations, nature of business, or product offerings should be supported by the qualifications of senior management and the management team as well as effective risk management. In certain cases, it may be appropriate for an organization to hire individuals with the necessary qualifications to manage such changes or strategies. New members of senior management should provide a discussion of their responsibilities and qualifications. This should include a résumé or similar discussion of their preparation for the responsibilities associated with the role.

Balance Sheet Composition

An organization must be well prepared for changes in the composition of its assets and liabilities as well as concentrations resulting from a proposed transaction. Concentrations of risk within loan portfolios, liquidity or sources of funding are common issues. In general, such changes require a compensating change in risk management, and documentation submitted with such a filing should support the organization's ability to navigate the associated risks appropriately. Risk mitigants may include additional capital, liquidity or other support. In addition, a business plan should consider how an organization will manage potential changes in the composition of or concentrations within its balance sheet as the organization's economic and operating environment changes over time.

Overly Optimistic Metrics/Aggressive Strategies

These are cases in which an organization's proposed business plan is problematic because it includes overly optimistic metrics/aggressive strategies. With respect to financials, an example of concern is pro forma growth rates or earnings assumptions well beyond industry averages as well as historical performance. Strategies that are viewed unfavorably and require significant mitigation include rapid expansion or out-of-territory lending. As indicated above, a proposed business plan should be sustainable given the organization's current and anticipated economic and operating environment. In any case, it's especially problematic when an organization relies upon overly optimistic performance or aggressive strategies to support the feasibility of the proposal.

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.

- ▷ FirstSun Capital Bancorp (formerly Sunflower Reincorporation Sub, Inc.), Salina, Kan., authorized (1) to become a bank holding company by merging with Sunflower Financial, Inc., Salina, and thereby acquiring Sunflower Bank, NA; (2) to acquire Strategic Growth Bank Inc., El Paso, Texas, and Strategic Growth Bancorp Inc., and thereby acquire Capital Bank, SSB, and First National Bank of Santa Fe, Albuquerque, NM; and (3) to become a financial holding company.
- ▷ First Financial Corp., Arthur, N.D., authorized to acquire First State Bank of Warner, S.D.
- ▷ Uptown Bancorp., Inc., Britton, S.D., authorized to acquire, through First American State Bank, Oldham, an interest in Performance Data Center, LLC, Pierre, and thereby provide data processing services.
- ▷ Michael S. McCracken, Spencer, Ind., filed to acquire 10 percent or more of Owen Financial Corp, and thereby acquire Owen County State Bank, both of Spencer.
- ▷ Van Buren Bancorp ESOP, Keosauqua, Iowa, filed to acquire an additional 55 percent, for a total of 100 percent, of Van Buren Bancorp, Keosauqua, and thereby acquire additional shares of First Iowa State Bank, Keosauqua, and First Iowa State Bank, Albia, Iowa
- ▷ Paramount Financial Group, LLC, St. Louis, Mo., filed to become a bank holding company by acquiring Superior Bank, Hazelwood, Mo. The company also made a companion filing for Paramount Financial Group, LLC, St. Louis, to acquire Paramount Bond & Mortgage Co., Inc., St. Louis, and engage in mortgage activities.
- ▷ Change in control notice filed by Mark Edward Davis, St. Peter, Minn., and others to acquire 10 percent or more of Bancommunity Services Corp, St. Peter, and thereby gain control of First National Bank Minnesota, St. Peter.
- ▷ Bank Forward ESOP & Trust, Fargo, N.D., filed to acquire up to 30 percent of Security State Bank Holding Company, Fargo, and thereby gain control of Bank Forward, Hannaford, N.D.
- ▷ Change in control notice filed by Thomas William Geiger, Maple Plain, Minn., to acquire 10 percent or more of Heritage Bancshares Group, Inc., Spicer, Minn., and thereby gain control of Heritage Bank, N.A, Spicer.
- ▷ Don O. Walsworth, Sr., and others, Marceline, Mo., filed to acquire shares of Citizens Bancshares Co., Kansas City, Mo., and thereby acquire Citizens Bank and Trust Company, Kansas City.
- ▷ Madison County Bank, Madison, Neb., authorized to become a member of the Federal Reserve System.
- ▷ Universal Financial Services, Inc., Bayport, Minn., has elected to become a financial holding company.
- ▷ Change in control notice filed by Thomas M. Beck, Eden Prairie, Minn., to acquire 25 percent or more of Northeast Securities Corp, Minneapolis, Minn., and thereby gain control of Northeast Bank, Minneapolis.
- ▷ Central Bank of Lake of the Ozarks, Osage Beach, Mo., authorized to merge with Bank Star One, Fulton.
- ▷ FFBW, MHC, filed to become a mutual savings and loan holding company, and FFBW, Inc., to become a mid-tier stock savings and loan holding company, by acquiring First Federal Bank of Wisconsin, all of Brookfield, Wis.
- ▷ Level One Bancorp, Inc., Farmington Hills, Mich., has elected to become a financial holding company.
- ▷ Bern Bancshares, Inc., Bern, Kan., filed to acquire up to 6.47 percent of UBT Bancshares, Inc., parent of United Bank & Trust, both in Marysville, Kan.
- ▷ Merchants Bancorp, Carmel, Ind., authorized to acquire Joy State Bank, Joy, Ill.
- ▷ First Busey Corp., Champaign, Ill., filed to acquire via merger Mid Illinois Bancorp, Inc., Peoria, Ill., and thereby acquire South Side Trust & Savings Bank, Peoria.
- ▷ Kirkwood Bancorp., Co., Bismarck, N.D., filed to acquire up to 33 percent of Kirkwood Bancorp., of Nevada, Inc., Las Vegas, Nev., and thereby gain control of Kirkwood Bank of Nevada, Las Vegas.
- ▷ Scott H. Soderberg, Eden Prairie, Minn., and others filed to acquire shares of One Corporation and thereby acquire First National Community Bank, both of New Richmond, Wis.
- ▷ Waseca Bancshares, Inc., Waseca, Minn., authorized to merge with Freedom Bancorp., Inc., Lindstrom, Minn., and thereby acquire Lake Area Bank.
- ▷ QCR Holdings, Inc., Moline, Ill., filed to acquire Guaranty Bank and Trust Co., Cedar Rapids, Iowa. In addition, QCR Holdings, Inc.'s subsidiary bank, Cedar Rapids Bank and Trust Co., Cedar Rapids, filed to merge with Guaranty Bank and Trust Co. As a result of the merger, Guaranty Bank and Trust Co., offices will become branch of Cedar Rapids Bank and Trust Co.
- ▷ Notice filed by Scott Michael Rasmussen, Germantown, Wis., to acquire 10 percent or more of Waupaca Bancorp., Inc., and thereby acquire First National Bank, both of Waupaca, Wis.
- ▷ Bank First National Corp., Manitowoc, Wis., authorized to acquire via merger Waupaca Bancorp., Inc., Waupaca, and thereby indirectly acquire First National Bank.
- ▷ The National Bank of Waupun, Wis., filed to become a member of the Federal Reserve System.
- ▷ First American Bankshares, Inc., Fort Atkinson, Wis., authorized to acquire Commercial Bancshares, Inc., Whitewater, Wis., and thereby acquire Commercial Bank.
- ▷ Charter Bank, Eau Claire, Wis., filed to become a member of the Federal Reserve System.
- ▷ Mackinac National Bancorp, Inc., St. Ignace, Mich., filed to become a bank holding company by acquiring First National Bank of St. Ignace.
- ▷ The National Bank of Waupun, Wis., authorized to retain membership in the Federal Reserve System following its conversion to a state-chartered bank.
- ▷ Ozarks Heritage Financial Group, Inc., Gainesville, Mo., and its top tier holding company Century Bancshares, Inc., Gainesville, Mo., filed to acquire Financial Enterprises, Inc., Clinton, Mo., and thereby acquire First National Bank of Clinton. Also, Legacy Bank & Trust Company, Rogersville, Mo., filed to merge with First National Bank of Clinton, and to retain the acquired facilities as branch offices. ■

ILLINOIS BANK HOLDING COMPANIES, Part 1 of 2

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	123,926,854	123,547,932	25. BANTERRA CORP, ELDORADO BANTERRA BANK, MARION	1,464,980	1,460,400
2. DISCOVER FINANCIAL SERVICES, RIVERWOODS BANK OF NEW CASTLE, NEW CASTLE, DE DISCOVER BANK, GREENWOOD, DE	92,307,686	17,419 91,146,995	26. CBX CORP., CARROLLTON CARROLLTON BANK, CARROLLTON	1,445,286	1,443,000
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., LIBERTYVILLE NORTHBROOK BANK & TRUST CO., NORTHBROOK OLD PLANK TRAIL COMMUNITY BANK, N.A., NEW LENOX CHAUMBURG 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	25,672,428	1,982,691 1,116,947 918,010 2,066,735 3,291,586 1,317,774 1,966,760 1,308,252 1,028,147 1,025,950 1,018,989 1,943,120 1,386,642 1,352,517 4,164,732	27. LAKESIDE BANCORP, INC., CHICAGO LAKESIDE BANK, CHICAGO	1,407,229	1,406,827
4. MB FINANCIAL, INC., CHICAGO MB FINANCIAL BANK, N.A., CHICAGO	19,302,317	19,227,800	28. FIRST CO BANCORP, INC., COLLINSVILLE FIRST COLLINSVILLE BANK, COLLINSVILLE FIRST COUNTY BANK, NEW BADEN	1,367,985	874,441 489,505
5. FIRST MIDWEST BANCORP, INC., ITASCA FIRST MIDWEST BANK, ITASCA	11,422,555	11,254,182	29. BLACKHAWK BANCORP, INC., MILAN BLACKHAWK BANK & TRUST, MILAN	1,289,934	1,271,310
6. FIRST BUSEY CORP., CHAMPAIGN BUSEY BANK, CHAMPAIGN FIRST COMMUNITY FINANCIAL BANK, PLAINFIELD	5,425,170	5,382,961 1,265,728	30. CUMMINS-AMERICAN CORP., GLENVIEW GLENVIEW STATE BANK, GLENVIEW	1,255,160	1,252,805
7. FIRST AMERICAN BANK CORP., ELK GRV VIL. FIRST AMERICAN BANK, ELK GROVE VILLAGE	3,789,823	3,776,458	31. ALPINE BANCORP, INC., BELVIDERE ALPINE BANK & TRUST CO., ROCKFORD	1,249,974	1,249,501
8. OAK PARK RIVER FOREST BANKSHARES, INC. COMMUNITY BANK OF OAK PARK RIVERFOREST, OAK PARK	308,618	307,432	32. MARKET STREET BNCSHRS, INC., MT VERNON PEOPLES NATIONAL BANK, N.A., MOUNT VERNON	1,139,063	1,124,422
9. HOMETOWN COMM. BANCORP, INC., MORTON MORTON COMMUNITY BANK, MORTON	3,315,580	3,306,991	33. 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	1,135,331	230,467 97,192 266,542 237,812 156,959 141,630
10. QCR HOLDINGS, INC., MOLINE CEDAR RAPIDS BANK AND TRUST CO., CEDAR RAPIDS, IA COMMUNITY STATE BANK, ANKENY, IA QUAD CITY BANK AND TRUST CO., BETTENDORF, IA ROCKFORD BANK AND TRUST CO., ROCKFORD	3,301,944	915,989 600,379 1,418,788 391,219	34. BRIDGEVIEW BANCORP, INC., BRIDGEVIEW BRIDGEVIEW BANK GROUP, BRIDGEVIEW	1,099,320	1,095,554
11. BYLINE BANCORP, INC., CHICAGO BYLINE BANK, CHICAGO	3,295,830	3,296,570	35. FIRST EVANSTON BANCORP, INC., EVANSTON FIRST BANK & TRUST, EVANSTON	1,065,773	1,059,144
12. MIDLAND STATES BANCORP, INC., EFFINGHAM MIDLAND STATES BANK, EFFINGHAM CENTRUE BANK, STREATOR	3,233,723	3,230,875 970,561	36. INLAND BANCORP, INC., OAK BROOK INLAND BANK AND TRUST, OAK BROOK	1,029,926	1,020,784
13. HEARTLAND BANCORP, INC., BLOOMINGTON HEARTLAND BANK & TRUST CO., BLOOMINGTON	2,971,569	2,968,666	37. TRI-COUNTY FINANCIAL GROUP, INC., MENDOTA FIRST STATE BANK, MENDOTA	953,923	955,421
14. FIRST MID-ILL. BANCSHARES, INC., MATTOON FIRST CLOVER LEAF BANK, N.A., EDWARDSVILLE FIRST MID-ILLINOIS BANK & TRUST, N.A., MATTOON	2,884,535	677,730 2,200,305	38. CNB BANK SHARES, INC., CARLINVILLE CNB BANK & TRUST, N.A., CARLINVILLE	941,671	940,398
15. PARKWAY BANCORP, INC., HARWOOD HEIGHTS PARKWAY BANK AND TRUST CO., HARWOOD HEIGHTS	2,489,702	2,488,919	39. FIRST BANKERS TRUSTSHARES, INC., QUINCY FIRST BANKERS TRUST CO., N.A., QUINCY	930,935	920,683
16. OLD SECOND BANCORP, INC., AURORA OLD SECOND NATIONAL BANK, AURORA	2,251,188	2,227,613	40. AMALGAMATED INVESTMENTS CO., CHICAGO AMALGAMATED BANK OF CHICAGO	923,672	928,505
17. WEST SUBURBAN BANCORP, INC., LOMBARD WEST SUBURBAN BANK, LOMBARD	2,244,293	2,243,410	41. SPRING BANCORP, INC., SPRINGFIELD BANK OF SPRINGFIELD	913,319	912,493
18. UNITED COMMUNITY BANCORP, INC., CHATHAM FARMERS STATE BANK OF CAMP POINT ILLINI BANK, SPRINGFIELD MERCANTILE BANK, QUINCY UNITED COMMUNITY BANK, CHATHAM	2,209,980	52,018 283,019 452,173 1,422,581	42. ILLINOIS NATIONAL BANCORP, INC., SPRINGFIELD ILLINOIS NATIONAL BANK, SPRINGFIELD	866,300	865,623
19. LIBERTY BANCSHARES, INC., ALTON LIBERTY BANK, ALTON	322,108	321,194	43. BANCORP FINANCIAL, INC., OAK BROOK EVERGREEN BANK GROUP, OAK BROOK	793,257	789,720
20. REPUBLIC BANCORP CO., OAK BROOK REPUBLIC BANK OF CHICAGO, OAK BROOK	1,837,086	1,824,589	44. TOWN AND COUNTRY FIN'L CORP., SPRINGFIELD TOWN AND COUNTRY BANK, SPRINGFIELD	739,599	734,403
21. BANC ED CORP., EDWARDSVILLE BANK OF EDWARDSVILLE	1,713,970	1,712,246	45. AMER. CENTRAL BANCORP., INC., SPRINGFIELD PRAIRIE STATE BANK & TRUST, SPRINGFIELD	690,708	690,467
22. BANKFINANCIAL CORP., BURR RIDGE BANKFINANCIAL, N.A., OLYMPIA FIELDS	1,620,036	1,617,391	46. SIGNATURE BANCORP, INC., CHICAGO SIGNATURE BANK, CHICAGO	674,849	674,180
23. MARQUETTE NATIONAL CORP., CHICAGO MARQUETTE BANK, CHICAGO	1,584,053	1,557,778	47. MIDWEST COMM. BANCSHARES, INC., MARION FIRST SOUTHERN BANK, MARION	669,860	669,149
24. BANK OF HIGHLAND PARK FINANCIAL CORP FIRST BANK OF HIGHLAND PARK	1,477,245	1,476,089	48. MID ILLINOIS BANCORP, INC., PEORIA SOUTH SIDE TRUST & SAVINGS BANK OF PEORIA	664,657	665,016
			49. FIRST BANCORP. OF DURANGO, INC., INVERNESS BANK OF NEW MEXICO, GRANTS, NM FIRST NATIONAL BANK OF DURANGO, CO	664,520	156,404 498,111
			50. FIRST ILLINOIS CORP., DECATUR HPB HOLDINGS, INC., DECATUR HICKORY POINT BANK AND TRUST, DECATUR	650,572	650,282 652,269
			51. CENTRAL BANC, INC., GENESEO CENTRAL BANK ILLINOIS, GENESEO	618,754	616,717
			52. MARINE BANCORP, INC., SPRINGFIELD MARINE BANK, SPRINGFIELD	608,832	608,667
			53. PRIME BANC CORP., DIETERICH DIETERICH BANK, N.A., DIETERICH	608,639	608,105
			54. PROPHETSTOWN BANKING CO., PROPHETSTOWN FARMERS NATIONAL BANK, PROPHETSTOWN	606,331	606,332

Source: Regulatory financial reports filed by bank holding companies and banks, data as of December 31, 2016. *Dollar amounts in thousands

ILLINOIS BANK HOLDING COMPANIES, Part 1 of 2

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
55.HOME STATE BANCORP, INC., CRYSTAL LAKE HOME STATE BANK N.A., CRYSTAL LAKE	587,425	587,425	86.SECURITY BANCSHARES INC., WITT SECURITY NATIONAL BANK, WITT	89,168	81,615
56.FIRST ILLINOIS BANCORP, INC., EAST SAINT LOUIS FIRST ILLINOIS BANK, EAST SAINT LOUIS LINDELL BANK & TRUST CO., SAINT LOUIS, MO	581,465	49,794 533,518	87.BELMONT FINANCIAL GROUP, INC., CHICAGO BELMONT BANK & TRUST CO., CHICAGO	376,343	376,127
57.SBC, INCORPORATED, COUNTRYSIDE COUNTRYSIDE BANK, COUNTRYSIDE	565,415	565,416	88.CITIZENS BANCORP, INC., MASCOUTAH CITIZENS COMMUNITY BANK, MASCOUTAH	372,862	372,793
58.ALBANK CORP., CHICAGO ALBANY BANK & TRUST CO., N.A., CHICAGO	555,178	553,258	89.GC BANCORP, INC., CHICAGO GOLD COAST BANK, CHICAGO	372,797	372,392
59.AMERICAN COMM. FIN'L, INC., WOODSTOCK AMERICAN COMMUNITY BANK & TRUST, WOODSTOCK	552,585	552,105	90.GERMANTOWN BANC CORP., GERMANTOWN GERMANTOWN TRUST & SAVINGS BANK, BREESE	361,242	361,242
60.IBC BANCORP, INC., CHICAGO INTERNATIONAL BANK OF CHICAGO	531,206	531,197	91.FIRST STATE BANCORP., INC., PEORIA FIRST STATE BANK OF ILLINOIS, PEORIA	360,998	360,718
61.CORNERSTONE BANCORP, INC., PALATINE CORNERSTONE NATIONAL BANK & TRUST CO., PALATINE	529,684	529,378	92.WASHINGTON SAVINGS MHC, EFFINGHAM WASHINGTON SAVINGS BANK, EFFINGHAM	360,387	360,634
62.PROVIDENCE FINANCIAL CORP., SOUTH HOLLAND PROVIDENCE BANK & TRUST, SOUTH HOLLAND	526,339	526,299	93.SV FINANCIAL, INC., STERLING SAUK VALLEY BANK & TRUST CO., STERLING	353,886	353,887
63.BACKLUND INVESTMENT CO., PEORIA HEIGHTS BETTER BANKS, PEORIA GLASFORD STATE BANK, GLASFORD STATE STREET BANK AND TRUST CO., QUINCY	522,478	279,720 36,460 205,083	94.FIRST STATE BANCORP OF MONTICELLO FIRST STATE BANK, MONTICELLO FIRST STATE BANK OF BLOOMINGTON	348,008	232,960 111,765
64.F.N.B.C. OF LA GRANGE, INC., LA GRANGE FNBC BANK AND TRUST, LA GRANGE	521,404	519,603	95.MIDAMERICA NAT'L BANCSHARES, INC., CANTON MIDAMERICA NATIONAL BANK, CANTON	339,993	337,490
65.PONTIAC BANCORP, INC., PONTIAC BANK OF PONTIAC	510,331	510,449	96.HOMESTAR FINANCIAL GROUP, INC., MANTENO HOMESTAR BANK AND FINANCIAL SERVICES, MANTENO	339,698	344,591
66.FIRST STAUNTON BANCSHARES, INC., STAUNTON FIRST NATIONAL BANK IN STAUNTON	500,840	500,831	97.COUNTRY BANCORP, INC., HILLSBORO NATIONAL BANK, HILLSBORO	334,157	330,862
67.OXFORD FINANCIAL CORP., OAK BROOK OXFORD BANK & TRUST, OAK BROOK	493,917	493,573	98.SUMMIT BANCSHARES, LTD., OLNEY FIRST NATIONAL BANK IN OLNEY	332,279	332,272
68.FAIRFIELD BANCSHARES, INC., FAIRFIELD FAIRFIELD NATIONAL BANK, FAIRFIELD	493,601	494,028	99.GREATER CHICAGO FINANCIAL CORP., CHICAGO AUSTIN BANK OF CHICAGO	326,026	326,324
69.ITASCA BANCORP INC., ITASCA ITASCA BANK & TRUST CO., ITASCA	493,226	493,226	100.CITIZENS BANCSHARES, INC., ALBION CITIZENS NATIONAL BANK OF ALBION	325,294	325,292
70.NORTHERN STATES FINANCIAL CORP., WAUKEGAN NORSTATES BANK, WAUKEGAN	489,988	488,321	101.FIRST ROBINSON FINANCIAL CORP., ROBINSON FIRST ROBINSON SAVINGS BANK, N.A., ROBINSON	323,010	322,524
71.FIRST EAGLE BANCSHARES, INC., CHICAGO FIRST EAGLE BANK, CHICAGO	480,094	478,858	102.FIRST VANDALIA CORP., VANDALIA FIRST NATIONAL BANK, VANDALIA	320,455	319,974
72.WESTERN ILL. BANCSHARES, INC., MONMOUTH MIDWEST BANK, MONMOUTH	461,544	461,544	103.JACKSONVILLE BANCORP, INC., JACKSONVILLE JACKSONVILLE SAVINGS BANK, JACKSONVILLE	319,319	319,242
73.FIRST WATERLOO BANCSHARES, INC., WATERLOO FIRST NATIONAL BANK OF WATERLOO	453,893	453,798	104.FIRST NEIGHBORHOOD BNCSHRS, INC., TOLEDO FIRST NEIGHBOR BANK, N.A., TOLEDO	318,533	318,533
74.FIRST BANCTRUST CORP., CHAMPAIGN FIRST BANK & TRUST, PARIS	453,548	452,732	105.FIRST APPLE RIVER CORP., APPLE RIVER APPLE RIVER STATE BANK, APPLE RIVER	313,563	313,563
75.EDGAR COUNTY BANC SHARES, INC., PARIS EDGAR COUNTY BANK AND TRUST CO., PARIS	441,590	441,538	106.ROYAL FINANCIAL, INC., CHICAGO ROYAL SAVINGS BANK, CHICAGO	311,144	309,047
76.ORION BANCORP., INC., ORION BANKORION	433,518	432,933	107.LINCOLN S.B. CORP., LINCOLN STATE BANK OF LINCOLN	311,120	343,749
77.STILLMAN BANCCORP, INC., STILLMAN VALLEY STILLMAN BANCCORP, N.A., STILLMAN VALLEY	430,834	430,915	108.AMER. BANCORP OF ILLINOIS, INC., OAK BROOK PAN AMERICAN BANK & TRUST, MELROSE PARK	306,856	304,147
78.RESOURCE BANCSHARES, INC., DEKALB RESOURCE BANK, N.A., DEKALB	428,082	429,179	109.FIRST ELDORADO BNCSSHRE, INC., ELDORADO LEGENGE BANK, ELDORADO	304,256	303,996
79.SCB BANCORP, INC., DECATUR SOY CAPITAL BANK AND TRUST CO., DECATUR	413,047	413,046	110.COMMUNITY BANK CORP., PARK RIDGE PARK RIDGE COMMUNITY BANK, PARK RIDGE	296,231	295,840
80.LONGVIEW CAPITAL CORP., NEWMAN BANK OF GIBSON CITY FIRST NATIONAL BANK IN GEORGETOWN LONGVIEW BANK, OGDEN LONGVIEW BANK & TRUST, CHRISMAN	406,849	77,495 54,626 182,028 89,198	111.SECURITY FIRST BANCSHARES INC., O'FALLON BANK OF O'FALLON	294,587	294,266
81.SOUTHERN ILLINOIS BANCORP, INC., CARMi FIRST NATIONAL BANK OF CARMi	404,207	403,058	112.SO. WIS. BANCSHARES CORP., INVERNESS FARMERS SAVINGS BANK, MINERAL POINT	283,583	281,622
82.PEOPLE FIRST BANCSHARES, INC., PANA PEOPLES BANK & TRUST, PANA	398,756	398,756	113.ELGIN BANCSHARES, INC., ELGIN UNION NATIONAL BANK, ELGIN	283,459	277,257
83.CITY NATIONAL BANCCORP, INC., METROPOLIS CITY NATIONAL BANK OF METROPOLIS	396,724	396,239	114.FIRST OTTAWA BANCSHARES, INC., OTTAWA FIRST NATIONAL BANK OF OTTAWA	279,328	278,728
84.ILLINOIS STATE BANCORP, INC., CHICAGO BANK OF BOURBONNAIS FIRST NATIONS BANK, CHICAGO	395,915	73,182 323,319	115.ILLINOIS VALLEY BANCORP, INC., MORRIS GRUNDY BANK, MORRIS	274,682	269,749
85.LBT BANCSHARES, INC., LITCHFIELD BANK & TRUST CO., LITCHFIELD	380,563	286,253	116.ORCHID FINANCIAL BANCORP, INC., SO. ELGIN AMERICAN EAGLE BANK, SOUTH ELGIN	272,700	188,049
			117.ASHLAND FINANCIAL BANCORP, INC., SO. ELGIN AMERICAN EAGLE BANK OF CHICAGO	84,570	84,527
			119.BRADFORD BANCORP, INC., GREENVILLE BRADFORD NATIONAL BANK OF GREENVILLE	272,374	272,305

Source: Regulatory financial reports filed by bank holding companies and banks, data as of December 31, 2016. *Dollar amounts in thousands

ILLINOIS BANK HOLDING COMPANIES, Part 1 of 2

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
120.FIRST BUSINESS BANCORP CO., CHICAGO SOUTH CENTRAL BANK, N.A., CHICAGO	271,622	271,694	153.GRAYMONT BANCORP, INC., GRAYMONT STATE BANK OF GRAYMONT	212,742	212,742
121.EAGLE FINANCIAL CORP., CASEY CASEY STATE BANK, CASEY	270,683	270,683	154.A. E. BANCORP, INC., BUFFALO GROVE AMERICAN ENTERPRISE BANK, BUFFALO GROVE	212,095	210,871
122.WONDER BANCORP, INC., WONDER LAKE STATE BANK, WONDER LAKE	269,777	271,430	155.ALLENDALE BANCORP, INC., ALLENDALE FIRST NATIONAL BANK OF ALLENDALE	211,732	211,708
123.T & C BANCORP, INC., QUINCY TOWN AND COUNTRY BANK MIDWEST, QUINCY	267,114	194,254	156.STEELEVILLE BANCSHARES, INC., STEELEVILLE FIRST NATIONAL BANK OF STEELEVILLE	210,319	209,552
NORTH MISSOURI BANCORP, INC., EDINA, MO CITIZENS BANK OF EDINA	71,132	70,404	157.BUENA VISTA BANCORP, INC., CHESTER BUENA VISTA NATIONAL BANK, CHESTER	208,310	208,065
124.DEVON BANCORP, INC., CHICAGO DEVON BANK, CHICAGO	263,191	263,757	158.NORTHWEST BANCORP. OF ILL., INC., PALATINE FIRST BANK AND TRUST CO. OF ILLINOIS, PALATINE	207,513	207,204
125.COMMUNITY ILLINOIS CORP., ROCK FALLS COMMUNITY STATE BANK OF ROCK FALLS	256,534	256,360	159.GALVA INVESTMENT, INC., GALVA COMMUNITY STATE BANK, GALVA	207,217	207,122
126.FGH BANCORP, INC., HERRIN BANK OF HERRIN	255,647	255,647	160.FARMERS STATE HOLDING CORP., HARRISBURG FARMERS STATE BANK OF ALTO PASS	205,837	205,830
127.MERCHANTS & MANU. BANK CORP., CHANNAHON MERCHANTS AND MANUFACTURERS BANK, JOLIET	255,312	234,875	161.MCLAUGHLIN HOLDING CO., MOLINE SOUTHEAST NATIONAL BANK, DAVENPORT, IA	204,388	203,708
128.FIRST LENA CORP., LENA CITIZENS STATE BANK, LENA	249,424	249,422	162.FARMERS HOLDING CO., JACKSONVILLE FARMERS STATE BANK AND TRUST CO., JACKSONVILLE	204,081	203,980
129.PEOPLES FIN'L CORP. OF ILL., INC., KEWANEE PEOPLES NATIONAL BANK OF KEWANEE,	248,443	247,662	163.TOMPKINS BANCORP, INC., AVON TOMPKINS STATE BANK, AVON	203,973	203,973
130.STC BANCSHARES CORP., SAINT CHARLES STC CAPITAL BANK, SAINT CHARLES	247,165	247,011	164.AMBOY BANCORP, INC., AMBOY FIRST NATIONAL BANK IN AMBOY	202,678	201,348
131.FIRST TRUST HOLDINGS, INC., WATSEKA FIRST TRUST AND SAVINGS BANK OF WATSEKA	245,980	245,980	165.FIRST BANCORP OF TAYLORVILLE, INC., FIRST NATIONAL BANK IN TAYLORVILLE	199,545	199,545
132.PIKE BANCORP, INC., PITTSFIELD FARMERS STATE BANK, PITTSFIELD	244,772	244,770	166.STATELINE COMM. BNCSTRS, INC., ORANGEVILLE COMMUNITY BANK, WINSLOW	196,550	196,550
133.FIRST SEC. BANCORP, INC., ELMWOOD PARK FIRST SECURITY TRUST AND SAVINGS BANK, ELMWOOD PARK	243,919	243,711	167.RUSH-OAK CORP., CHICAGO OAK BANK, CHICAGO	195,008	194,179
134.METROPOLITAN CAPITAL BNCRP, INC., CHICAGO METROPOLITAN CAPITAL BANK & TRUST, CHICAGO	243,731	243,180	168.WEST CENTRAL BANCSHARES, INC., ASHLAND WEST CENTRAL BANK, ASHLAND	194,642	194,642
135.CHICAGO SHORE CORP., CHICAGO SECURITY CHICAGO CORP., CHICAGO	237,985	237,985	169.HIGH POINT FIN'L SERVICES, INC., FORRESTON FORRESTON STATE BANK, FORRESTON	194,535	194,436
DELAWARE PLACE BANK, CHICAGO	237,985	234,535	170.FIRST NATIONAL BANCORP. IN CARLYLE FIRST NATIONAL BANK IN CARLYLE	193,607	193,605
136.FIRST TRUST FINANCIAL CORP., KANKAKEE FIRST TRUST BANK OF ILLINOIS, KANKAKEE	237,194	237,194	171.LWCBANCORP, INC., NEW LENOX LINCOLNWAY COMMUNITY BANK, NEW LENOX	193,085	193,080
137.BYRON BANCSHARES, INC., BYRON BYRON BANK, BYRON	235,469	235,712	172.RICH LAND BANCORP, INC., OLNEY TRUSTBANK, OLNEY	192,819	192,819
138.ALIKAT INVESTMENTS, INC., GURNEE NORTHSIDE COMMUNITY BANK, GURNEE	234,652	238,283	173.SECURITY BANCORP, MHC, MONMOUTH SECURITY SAVINGS BANK, MONMOUTH	187,520	187,520
139.FIRST FOREST PARK CORP., FOREST PARK FOREST PARK NATIONAL BANK AND TRUST CO., FOREST PARK	232,484	240,469	174.SPRING VALLEY BANCORP, INC., SPRING VALLEY SPRING VALLEY CITY BANK, SPRING VALLEY	183,869	183,869
140.COMMUNITY INVESTMENT GROUP, LTD., HAVANA HAVANA NATIONAL BANK, HAVANA	231,728	231,522	175.FARMERS & MERCH. BNCSTRS, INC., NASHVILLE FARMERS AND MERCHANTS NATIONAL BANK OF NASHVILLE	183,169	182,243
141.BANCORP OF RANTOUL, INC., RANTOUL BANK OF RANTOUL	231,472	229,923	176.HOMETOWN FINANCIAL GROUP, INC., FLANAGAN FLANAGAN STATE BANK, FLANAGAN	182,497	181,659
142.UNION COUNTY BANCSHARES, INC., ANNA ANNA-JONESBORO NATIONAL BANK, ANNA	231,001	231,001	177.SPEER BANCSHARES, INC., SPEER STATE BANK OF SPEER	181,851	181,866
143.CARBONDALE INVESTMENT CORP., CARBONDALE BANK OF CARBONDALE, CARBONDALE	229,542	225,357	178.HOLCOMB BANCORP, INC., HOLCOMB HOLCOMB STATE BANK, HOLCOMB	179,885	180,105
144.AMERICAN HRTLND BNCSTRS, INC., SUGAR GRV. FIRST SECURE COMMUNITY BANK, SUGAR GROVE	225,972	223,793	179.FORREST BANCSHARES, INC., FORREST FIRST STATE BANK OF FORREST	178,243	172,993
145.MARKET PLACE BANCSHARES, INC., CHAMPAIGN BANKCHAMPAIGN, N.A., CHAMPAIGN	222,242	223,340	180.PGB HOLDINGS, INC., CHICAGO PACIFIC GLOBAL BANK, CHICAGO	176,971	176,646
146.FREEPORT BANCSHARES, INC., FREEPORT MIDWEST COMMUNITY BANK, FREEPORT	221,442	221,887	181.BELLEVILLE BANCORP, INC., BELLEVILLE BANK OF BELLEVILLE	173,997	173,976
147.SHELBY COUNTY BANCORP, INC., SHELBYVILLE SHELBY COUNTY STATE BANK, SHELBYVILLE	221,392	220,742	182.CEDAR BANCORP, INC., MOUNT VERNON COMMUNITY FIRST BANK OF THE HEARTLAND, MOUNT VERNON	172,048	172,048
148.HARVARD BANCSHARES, INC., HARVARD HARVARD STATE BANK, HARVARD	218,173	218,173	183.PETEFISH, SKILES BANCSHARES, INC., VIRGINIA PETEFISH, SKILES & CO., VIRGINIA	170,011	170,002
149.TEUTOPOLIS HOLDING CO., TEUTOPOLIS TEUTOPOLIS STATE BANK, TEUTOPOLIS	217,378	217,375	184.MINIER FINANCIAL, INC., MINIER FIRST FARMERS STATE BANK, MINIER	169,490	169,490
150.LASALLE BANCORP, INC., LA SALLE HOMETOWN NATIONAL BANK, LA SALLE	216,260	215,328	185.FIRST MCHENRY CORP., MCHENRY FIRST NATIONAL BANK OF MCHENRY	166,580	166,559
151.STARK COUNTY BANCORP, INC., TOULON STATE BANK OF TOULON	216,086	216,083	186.GIFFORD BANCORP, INC., GIFFORD GIFFORD STATE BANK, GIFFORD	166,573	166,573
152.ALBANY BANCSHARES, INC., ALBANY FIRST TRUST & SAVINGS BANK OF ALBANY	213,602	213,361			

Source: Regulatory financial reports filed by bank holding companies and banks, data as of December 31, 2016. *Dollar amounts in thousands

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
187.RARITAN STATE BANCORP, INC., RARITAN RARITAN STATE BANK, RARITAN	165,869	164,163	195.FIRST PERSONAL FIN'L CORP., ORLAND PARK FIRST PERSONAL BANK, ORLAND PARK	153,527	152,416
188.SCOTT BANCSHARES, INC., BETHANY SCOTT STATE BANK, BETHANY	160,657	160,657	196.SBW BANCSHARES, INC., WATERLOO STATE BANK OF WATERLOO	153,525	153,508
189.FIRST NOKOMIS BANCORP, INC., NOKOMIS FIRST NATIONAL BANK OF NOKOMIS	160,269	160,269	197.SHANNON BANCORP, INC., SHANNON FIRST STATE BANK SHANNON-POLO, SHANNON	151,278	151,129
190.COMMUNITY BANCSHARES OF ELMHURST, INC. COMMUNITY BANK OF ELMHURST	159,468	159,468	198.GOLDEN EAGLE BANCORP, INC., WOODSTOCK GOLDEN EAGLE COMMUNITY BANK, WOODSTOCK	147,784	147,240
191.OMNI BANCORP, INC., EFFINGHAM CROSSROADS BANK, EFFINGHAM	158,294	158,292	199.AGRICULTURAL BANKING CORP., PAXTON CISSNA PARK STATE BANK, CISSNA PARK FIRST NATIONAL BANK IN PAXTON	147,560	62,812 81,826
192.FARMINGTON BANCORP, INC., FARMINGTON BANK OF FARMINGTON	156,590	156,590	200.FARMERS STATE BANCORP, INC., HOFFMAN FARMERS STATE BANK OF HOFFMAN	144,785	144,785
193.UNION BANCSHARES, MHC, FREEPORT USB BANCSHARES, INC., FREEPORT UNION SAVINGS BANK, FREEPORT	155,757	155,778	201.JSB BANCORP, INC., JERSEYVILLE JERSEY STATE BANK, JERSEYVILLE	144,216	143,747
194.MANHATTAN BANCSHARES, INC., MANHATTAN FIRST BANK OF MANHATTAN	153,874	153,158	202.FIRST COMMUNITY BANCORP, INC., BEECHER FIRST COMMUNITY BANK AND TRUST, BEECHER	144,140	143,250

Source: Regulatory financial reports filed by bank holding companies and banks, data as of December 31, 2016. *Dollar amounts in thousands

President's Observations,
Continued from page 4

are okay, but I prefer a meeting that features more specific topics, such as making the most out of your branching strategy or investment options for maximizing your balance sheet.

Second, who's going to be there? I like to go to meetings where I get a chance to mingle with people with whom I might do business. Also, I like to be around people who share the same professional concerns I do and perhaps have overcome some of the challenges I face. Conversations with these folks can end up being more educational than the formal presentations.

Third, where's the meeting going to be? It is important the meeting be in a location I can get to within my allotted schedule. Also, it helps if the meeting is set for a reasonably-priced hotel. I don't need luxury accommodations for a hotel room I am only going to sleep in.

And fourth, what else can I do if I attend this meeting? This is similar to the previous concern; it helps if the meeting is located in a place where I can get other business done. In other words, a meeting for me in the Twin Cities is valuable because it also gives me a chance to stop in and visit with other vendors or strategic partners my company has engaged.

If you can find a meeting that offers education relevant to your situation, attended by like-minded folks in a great location, you've got a winner. That almost always describes the BHCA seminar for me, and I hope it does for you too. ■

Fed Notes,
Continued from page 9

Summary

We assess the adequacy of a proposed business plan and mitigations to associated strategic risk to determine if the organization is able to implement the plan without a significant increase to its risk profile. This requires clear and informationally complete documentation of a proposed business plan submitted with the filing. For additional discussion of common issues associated with proposed business plans, please refer to the Federal Reserve System's Supervisory Letter SR 14-2 (Enhancing Transparency in the Federal Reserve's Applications Process). ■

Zachary Lundquist is Applications/Surveillance Analyst at the Federal Reserve Bank of Minneapolis.

Down to Business,
Continued from page 5

out how to turn their board governance into something more than a "check the box" compliance exercise. This session will be led by Bill Bojan, who led a breakout session at our Spring Seminar that attracted crowds, which overflowed into the hallway.

Our second general session presenter on Tuesday is Roxanne Emmerich, who has made a name for herself helping community bankers take their operations to the next level. I have talked to many bankers who tell me she has transformed their bank from average to outstanding. In her energetic style, she will offer insights for developing a culture of top performance. Be sure to read her article in this edition.

All of the programming is focused like a laser on community banking. No other M&A seminar is designed to cater to community bank owners in the Midwest. Please plan to attend this seminar. If you haven't already registered, do so immediately to be assured of getting a hotel room at the Hyatt Regency. Invite board members to join you; they will benefit from this event as well. And if you have time, bring your spouse and stay for our Tuesday evening dinner and show. We are super fortunate to have the touring Broadway production of Aladdin in town at the Orpheum Theatre.

Thanks very much; I look forward to seeing you the first week of October! ■



October 2-3, 2017

Hyatt Regency

Bloomington-Minneapolis
next to the Mall of America

BUY, SELL or HOLD: Strategies for Success

The M&A Seminar for Community Banks in the Midwest

“BUY, SELL or HOLD: *Strategies for Success*,” brings together leading experts on community bank merger and acquisition transactions for a **two-day seminar** you won't want to miss. Our presenters are well-versed in issues unique to community banks, including family-owned banks, subchapter S corporations, smaller banks, rural banks, and banks owned by a small number of shareholders.

Whether you plan to buy a bank, sell a bank, or simply hold onto the bank you've got, no banker can afford to be uninformed about the **trends and developments** taking place in the **mergers and acquisitions arena**. Unsolicited offers can come and unique opportunities can appear when you aren't expecting them. You owe it to yourself, your shareholders, your staff and your customers to be prepared.

Monday, Oct. 2, is jammed with eight presentations on M&A topics that include:

- Trends in the Midwest
- Regulatory considerations
- Indemnification
- Bank valuation
- Alternative capital raising strategies
- Non-traditional buyers (such as credit unions)
- And much more

Our presenters are from the leading legal, accounting and investment banking firms in the region who have decades of experience helping community bankers conduct bank acquisitions and sales. This is the **most comprehensive presentation of community bank M&A issues** available anywhere in the country.

The day includes breaks, lunch and a pre-dinner reception so you have plenty of time to network with other bank owners, bankers, presenters and industry experts. Day One concludes with **Bob**

Upgren, who will challenge you to look for opportunities where you haven't looked before, to see challenges in a new way.

Tuesday gets underway with a presentation on board and risk governance. **Bill Bojan** will moderate a panel of bankers and experts who live risk management in the community banking world. They will share experiences that show governance can be a strategic advantage, not just a “check-the-box” compliance exercise.

Roxanne Emmerich will super-charge the morning when she shares the secrets to maximizing return on investment. Post-merger integration issues have a notorious record of dashing earnings expectations, but it doesn't have to be that way. Emmerich has made a career of helping bankers develop a system that aligns strategy, marketing, sales, service and culture in a way that maximizes the potential of any bank.

Luncheon speaker **KC Mathews**, executive vice president and chief investment officer at UMB, is a sought-after commentator on all matters relating to the economy. He will offer insights that put key economic indicators into perspective.

The seminar includes **four breakout sessions** covering topics such as enterprise risk management, trends in Federal Reserve applications, estate planning and more.

Plan to stay through Tuesday evening so you can be a part of our à la carte dinner-and-a-show event. We will be taking in the touring Broadway production of **Aladdin** at the historic **Orpheum Theatre** in Minneapolis after a wonderful meal at the **Capital Grille**. We provide the transportation.

BUY, SELL or HOLD: *Strategies for Success*, is the BHCA Fall Seminar that everyone will be talking about; be a part of it and register today!

BUY, SELL or HOLD: Strategies for Success

MONDAY, OCTOBER 2

8:30 to 9:00 a.m.

NEW EARLY TIME! Registration and Check in

9:00 to 9:45 a.m.

A survey of the Community Bank M&A Landscape

Scott Coleman, Lindquist & Vennum and Don Johnson, Eide Bailly
How many deals have been done so far this year? What kind of banks are in the highest demand? What are banks going for these days? What's the trendy currency – stock or cash or both? Who's doing mergers of equals? How long is it taking to get a deal done in this environment? What are investors looking for? Get answers to these questions and more.

9:50 to 10:35 a.m.

Bank M&A and the Regulatory Process

Karen Grandstrand and Karla Reyerson, Fredrikson & Byron
Mergers and acquisitions of bank holding companies and banks involve complicated, lengthy and oftentimes unpredictable regulatory review. This session will address the regulatory process, increasingly important factors in the approval process (such as fair lending compliance and competitive issues) and strategies to mitigate risks associated with the regulatory process.

Networking Break

10:55 to 11:40 a.m.

What am I missing? What Buyers and Sellers Need to Understand in a Transaction

Neil Falken of CliftonLarsonAllen

Do you think the financial analysis and a due diligence check is all you need to know during a transaction? You might be surprised! This session will look further into what buyers and sellers need to be aware of during any M&A transaction.

11:45 a.m. to 12:30 p.m.

Should I Buy, Sell or Stay the Course?

Craig Mueller, David Stieber & Dave Van Hove, Oak Ridge Financial
Craig, David and Dave will discuss a variety of scenarios and potential strategies for achieving a range of goals. Also, 10 considerations before pursuing a merger of equals.

Buffet Lunch

1:30 to 2:15 p.m.

What is my bank worth?

Ed Usalis of United Bankers' Bank

How does the market value bank stock? This session will provide insight into the factors that affect bank valuation and what you can do to give your bank's stock a boost.

2:20 to 3:05 p.m.

Post-Closing Fights: What Happens if Issues Arise After a Deal is Closed?

Anton Moch and Jeffrey Ansel, both of Winthrop & Weinstine
Providing real-life case studies and examples, this session covers issues that can arise following the close of a bank acquisition, and how those issues can be resolved. This session also will focus on the importance of including proper indemnification, representations, warranties and covenants into definitive transaction agreements to help protect both buyers and seller, and create a clear road map to resolving post-closing disputes.

Networking Break

3:25 to 4:10 p.m.

Understanding Credit Unions in the Bank M&A space

A panel discussion moderated by James Sheriff of Reinhart Boerner Van Deuren and Traci Hollister of Wipfli. Panelists: John Reichert and Melissa York, both of Reinhart, and Kevin Janke of Wipfli.

This panel will discuss various aspects of the ever-increasing presence of credit unions in the community bank merger and acquisition space.

4:15 to 5:00 p.m.

Capitalizing for Growth and Increased Shareholder Value: Community Owned Community Banking, Emerging Public Banks and Other Strategies

Jay Kim of Dorsey & Whitney

A guide to leveraging the capital of new investors to support strategic growth, while protecting the interests and meeting the goals and expectations of founding investors and family shareholders. The presenters will also address how to incorporate institutional, community and employee investment into your capital structure, without sacrificing leadership and control; how to utilize emerging markets for community bank stocks to enhance shareholder value and liquidity, and how to develop and deploy a currency for acquisitions.

Networking Reception and Dinner

7:30 to 8:30 p.m.

The Art of Innovation: Addressing the Unmistakable Need for Creative Execution

Bob Upgren

Every ounce of creativity, imagination and innovation is needed to confront the challenges of growth and development. The single most important distinction in leadership today, therefore, is understanding the difference between creativity and innovation: Creativity is the ability to define big ideas; In-



BUY, SELL or HOLD: *Strategies for Success*

TUESDAY, OCTOBER 3

novation is the ability to execute on those ideas. In this compelling message, Bob Upgren teaches best practice mindsets, tools and strategies that innovative leaders utilize to motivate the people around them and turn ideas into reality.

TUESDAY

7:30 to 8:30 a.m.

Buffet Breakfast

8:30 to 9:30 a.m.

Community Bank Board and Risk Governance: Hitting the Mark

A panel moderated by Bill Bojan, *Integrated Governance Solutions* Using real and practical examples from community banks, Bill and a panel of experts will consider what specific, tangible value a bank realizes from superior board and risk governance, how to know if your board is well-positioned for the future and whether your risk management discipline is sufficient for the future needs of your bank – and if it's not, how to get it there.

9:30 to 10:45 a.m.

The Secret ROI Acquisition Formula: How to Avoid the 5 Biggest Mistakes that can Crush your ROI

Roxanne Emmerich

There are two ways to destroy a bank: bad loans or an acquisition gone bad! "Us versus them" culture chaos; customer run-off; disenchanting community – all of these things happen entirely too often. Discover the critical few strategies you

must implement using a proven, iron-clad process. Emmerich is CEO of her own consulting firm, which helps ambitious, results-oriented banks create a predictable success system that aligns strategy, marketing, sales, service and culture.

Networking Break

11:10 to 11:40 a.m.

Breakout Sessions, Round 1

11:55 a.m. to 12:25 p.m.

Breakout Sessions, Round 2

Networking Luncheon

1:15 to 2:25 p.m.

Promises, Promises... Political Rhetoric and Practical Reality KC Mathews

The UMB Chief Investment Officer and Executive Vice President will survey the economic landscape across the country and particularly in the Midwest. Political and economic factors are shaping market expectations and opportunities. But how much of it is real and how much of it is just talk? KC will offer his unique perspective to help sort out the hype from the fact.

Adjourn at 2:30 p.m.

Evening in Minneapolis: Dinner at The Capital Grille and "Aladdin" at Orpheum

See next page for information

Breakout Sessions

NO. 1:

The Pathway to a Complete Enterprise Risk Management Program: From Beginning to End in 30 minutes!

Marcia Malzahn of Malzahn Strategic

This educational session is designed for directors, presidents and CEOs who want a simple, easy-to-understand process to implement a complete ERM program tailored to your community bank. Risk managers and chief risk officers who need guidance on how to set up their first ERM program or strengthen an existing program can also benefit.

NO. 2:

Applications in the Ninth District—Activity, Trends and Observations

Zachary Lundquist of the Federal Reserve Bank of Minneapolis

The session is intended to provide insight into application activity within the Ninth District as well as successfully navigating the application process in general.

NO. 3:

All in the Family: Successful Succession Planning That Anticipates Regulatory Issues

Sally Stolen Grossman and George Meinz, Gray Plant Mooty

This session addresses key aspects of a successful succession plan, including the proper use of trusts and other estate planning tools. It also considers the regulatory issues that can arise if care is not taken at inception in structuring the succession plan.

NO. 4:

The Tax Implications of a Merger or Acquisition

Jerry Kissell, RSM US LLP

Do you understand the tax implications of the deal you are considering? The way the deal is structured could have a significant financial impact on the buyer and seller. This session will cover the common (and some of the less-common) considerations, as well as issues that could arise should congress enact tax reform.

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The BHCA: A unique value



- ✓ **Bank owners**
- ✓ **Presidents & Senior Officers**
- ✓ **Directors**

If you are a bank owner, or expect to be one down the road, 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 unbeatable value.

SEMINARS

Members receive discounted registration rates on BHCA's annual Spring and Fall Seminars. The BHCA seminars consistently deliver informative presentations from industry experts, consultants and analysts. They educate as well as entertain. Break-out sessions give seminar participants the opportunity to go in-depth on very specific topics, such as succession planning, tax issues, merger and acquisition preparation, legal/accounting issues and more.

INSIGHT

Appreciate our regional focus.

With holding company members from Minnesota, Wisconsin, the Dakotas, Iowa, Illinois, Missouri and Nebraska, the BHCA brings together bank owners, directors and officers with common regional interests, but if you don't want to talk to a competitor, you can always find similarly-situated members from outside your holding company's trade area.



NETWORKING

Get access to other owners, decision-makers.

One of the most valuable features of our seminars is the opportunity to visit with other bank owners between scheduled presentations. It has been said that more merger and acquisition deals have been initiated at BHCA seminars than almost anywhere else. No other group brings together so many bank owners and decision-makers from across the Upper Midwest.

Serious, useful education...

"We chose to join BHCA in about 1990, shortly after we formed a new holding company to purchase a divested First Bank System bank in 1987. We were new at the process and thought that joining BHCA would be a great educational experience. Since that time several of us have managed to attend nearly every seminar.

Ideas we implemented from the seminars include mandatory retirement of both bank and holding company directors, general director responsibilities, audit and compliance committee ideas, and excellent presentations by economists over the years to assist us in funds management. And, of course, there is always the exchange of ideas with fellow bankers." - Gary Paulson, First Holding Company, Park River, N.D.

A great value...

"Our holding company is a charter member of the BHCA. The association provides excellent value as evidenced by the networking opportunities, top-notch speakers, and the wide range of educational opportunities available through the concurrent breakout sessions. In this day of aggressive cost-cutting, our BHCA membership is a certain renewal!" - Pat Gates, Security Financial Services, Inc., Hibbing, Minn.

Bottom-line Impact...

"At the October 2008 seminar, one of the break-out 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.

Membership:

Annual dues to the Bank Holding Company Association range from \$425 to \$1,500 per year, depending on the size of your organization.

For more information, please call us at
952-835-2248 or 1-800-813-4754

BANK OWNER

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