

# Bank Owner

The magazine of the Bank Holding Company Association

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## **INSIDE:**

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Loan loss reserve considerations

Application competitive analysis: What's considered?

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## 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](http://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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## BHCA positioned for strong year as industry prospects brighten

As 2015 gets underway, I am enthusiastic about the Bank Holding Company Association in terms of what we can offer our members. The association seems to get better every year, and I know we will have two excellent seminars, several first-rate webinars and other member benefits that make me particularly pleased to serve as your BHCA president this year.

If you haven't visited our website recently, I encourage you to check it out. The address is [www.theBHCA.org](http://www.theBHCA.org). We made a short promotional video recently which we are displaying on the homepage. If you are not a BHCA member at this time, consider the message seriously and I hope you will decide to join. If you are a member, perhaps email a link to the page to a friend or colleague who you believe would make a good member. There is no better advertising than positive word-of-mouth from an existing BHCA member.

In the video, I make mention of succession planning and the access BHCA provides to attorneys, accountants and other consultants who can really help with succession planning. Access and networking are truly among the greatest benefits of BHCA membership. During my segment in the video, I mention being a third generation banker. Perhaps some of you know my father, Richard Gandrud, who ran the bank back when it was called the Pope County State Bank.

Like many banks in this part of the country, Eagle Bank has a history that stretches back to the 19th Century. In the 1870s, there was a general store in Glenwood called the Fremad Association. It had a large, sturdy safe and many of the people in town came to the store to have their valuables and money stored securely. It wasn't long before the store was operating as a bank, initially adopting the name, "Fremad Association Bank."

During the late 1800s, the bank set up correspondent relationships with the major banks in the Twin Cities. As the operation grew, it made sense to organize an official bank, and so on December 2, 1901, a private bank known as the "Pope County Bank" was organized upon transfer of the assets from the Fremad Association Bank.

Seventy-nine years later, the Minnesota legislature changed state law to permit well-capitalized banks to open branches in unbanked communities. We took advantage of the new law and opened a branch in Villard whose two banks had closed during the Great Depression and never reopened. Fifteen years later, the bank purchased two neighboring banks – the Bank of Elbow Lake and the State Bank of Wendell, and merged them into the Pope County State Bank. The geographic expansion and diversification realized by these moves strengthened the bank considerably, in addition to giving us the opportunity to utilize technology effectively to serve more customers more efficiently.

In October of 1995, we changed our name to Eagle Bank, which better reflects our service to a trade area larger than a single county.

Last year, an interesting opportunity opened up when AmericanWest Bank of Spokane, Wash., decided to sell its branch in Starbuck, Minn., which is only about eight miles from Glenwood. AmericanWest bought the First National Bank of Starbuck in 2010, which gave the company a banking charter it ultimately used to develop a banking enterprise out West. The Starbuck office didn't fit their needs anymore, so they put it up for sale and we were able to buy it. So we now have five offices.

As the economy strengthens, I see the community banking business improving. We are through the tough times of the crash-induced recession and I think it is time to look ahead and plan for



By Erick Gandrud  
Eagle Investment  
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President's Observations, Continued on page 14

## Fed policy update, Spring Seminar time, and thanks to Associate Members

I want to make sure you are aware of changes underway regarding the Federal Reserve's Policy Statement on small bank holding companies. In December, President Obama signed legislation authorizing the Federal Reserve to increase the eligibility threshold to \$1 billion in assets from \$500 million. It also authorized the Fed to include savings and loan association holding companies in the policy. The Fed acted quickly and on Jan. 29 published a proposed rule accordingly. The public comment period closed March 4.

The new eligibility rules mean some 600 additional holding companies across the country will qualify for the small bank holding company policy. This means the small holding company policy will apply to 89 percent of all bank holding companies in the country, and 75 percent of all S&L holding companies.

This is important because companies that qualify under the small holding company policy are exempt from the Basel III capital requirements and, in general, can borrow capital up to an amount equal to their equity. The money can be down-streamed to a holding company's subsidiary bank(s) and used to fund loans, acquisitions or other needs.

Interestingly, Narayana Kocherlakota, President of the Federal Reserve Bank of Minneapolis, told a banking crowd on Feb. 3 in St. Paul that he would like to see the threshold increased even further – to \$10 billion.

### Spring Seminar

I hope you are planning to attend the BHCA Spring Seminar, set for Monday and Tuesday, May 4-5, 2015 at the Minneapolis Airport Marriott Hotel in Bloomington, Minn. There are many exciting elements in this seminar that should make it the best in recent memory. I am especially pleased to be working with the Subchapter S Bank Association on expanded educational programming. Traditionally, our seminars have started with a reception at 5 p.m. on Monday. We have heard from participants, however, that many of the attendees who come in from out of town arrive several hours prior and would appreciate an earlier start to the seminar. So, we have added a session from 3 p.m. to 5 p.m. on Monday, May 4, to feature two presenters addressing topics important to banks and holding companies chartered under subchapter S rules.

Randy Rouse, executive vice president and chief investment officer for Broadway Bancshares Inc., will discuss his organization's investment portfolio approach which is designed to make the most of its subchapter S election. Broadway is a \$2.4 billion organization based in San Antonio, Texas, but his message is applicable to community banks and their holding companies of all sizes. I had the opportunity to hear Mr. Rouse deliver his presentation last fall and I was very impressed with his message and felt compelled to do

whatever I could to get him to present at one of our seminars.

He will be joined by Kevin Powers of Crowe Horwath, who will look at the pros and cons of the sub S election versus C corp. Powers is a tax partner with the firm's Chicago-area office.

Of course, our Monday seminar schedule will feature the traditional opening reception, a wonderful dinner, and an after-dinner speaker. This year, we will be informed by economist Edmund Seifried. He has his own consulting practice called Seifried & Brew, but he also works with the Sheshunoff Affiliation Program and has been a professor of economics and business at Lafayette College in Easton, Pa. If you have heard Seifried speak before, you know he is provocative and insightful. He discusses economic possibilities that others simply miss. He is famous for his chart of economic indicators, and you may want to check it out and bookmark it for regular reference. Find it at <http://www.seifriedbrew.com/pdf/econ.pdf>.

I highly encourage you to take in all of Monday's events. If you have directors or colleagues at the bank who cannot participate in the entire two-day seminar, encourage them to come on Monday. With the extra programming and outstanding speakers, the Monday-alone registration is more valuable than ever.

You will find Spring Seminar registration materials in this edition of *Bank Owner* magazine.

### Thanks to Associate Members

Recently, I had the opportunity to co-host with BHCA President Erick Gandrud a conference call for BHCA Associate Members. We spent 45 minutes talking about ways to help our holding company members derive even greater benefit from our numerous Associate Members. The BHCA offers a number of platforms designed to help Associate Members develop their relationships with our holding company members.

First, we invite Associate Members to contribute articles to this magazine. Experts with knowledge and information useful to our membership are always welcome to contribute to *Bank Owner*.

Second, we invite Associate Members to serve as presenters for the various webinars we host during the year. Typically the BHCA sponsors seven or eight webinars per year; these are all original productions, created specifically for BHCA membership. Associate



By Tom Bengtson  
BHCA Managing Director

# When Examiners Get It Wrong:

## *Financial institution appeals of material supervisory determinations*

**Editors' note:** *Following is the introduction to a paper written by Julie Andersen Hill, associate professor of Law at the University of Alabama Law School. The paper is set to be published in 2015 in the Washington University Law Review. Hill is a presenter at the 2015 BHCA Spring Seminar.*

Financial institutions are among the most heavily regulated businesses in the United States. To ensure that institutions comply with the complex web of law, regulators comb the institution's books, records, policies, and practices looking for evidence of legal infractions and financial stress. Examiners then make a number of "material supervisory determinations" ("MSDs") about the institution's financial health and compliance with the law. The examiners prepare an examination report detailing these findings. This review can also lead to MSDs.

MSDs become the building blocks of regulatory enforcement. In cases where MSDs suggest a financial institution needs to improve, regulators employ formal or informal enforcement mechanisms to ensure that the institutions correct any problems. For example, a regulator might issue a cease-and-desist order instructing the institution to stop certain lending activities. In more extreme cases, regulators might close the institutions. MSDs are often the

initial finding that set the regulatory enforcement mechanism in motion.

In the aftermath of the September 2008 financial market meltdown, some financial institutions complain that regulators' are trending toward overly aggressive examination practices. At its root, dissatisfaction with the examination process often indicates that institutions disagree with examiners about MSDs. Some institutions believe that regulators do not consistently apply existing law, claiming that "examiners tended to focus too much on their own view of best practices rather than on legal and regulatory requirements." Institutions also complain that regulators change examination standards without warning. They claim that "[w]hat was once A-OK is no longer A-OK, but no one knows that until after the examination." Some reports even claim that examiners act with bias or malice.

To guard against erroneous MSDs, financial institution regulators are statutorily required to provide an "independent intra-agency appellate process...to review material supervisory determinations made at insured depository institutions." The Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System (Federal Reserve), and the National Credit Union

Administration (NCUA) have each implemented a different procedure for handling these appeals.

Since regulators implemented the MSD appeals processes in 1995, little has been done to analyze their effectiveness. Part of the reason for the lack of scrutiny is that regulators keep much of the information about appeals, including some decisions, secret. In addition, regulators themselves have failed to conduct any serious study of the appeals processes. Using data from MSD appeals (some of which I collected through Freedom of Information Act requests) and my interviews with top-level regulators, this article provides the previously untold story of these appeals.

The story is that of a dysfunctional and seldom used system. Regulators vary significantly in the reviews they provide through the MSD appeals processes. They do not agree on which examiner determinations are appealable or on the applicable standard of review. Even considering the state of the regulator's appeals policies, the rate of appeals is astonishingly low. Thousands of financial institutions have been examined every year since regulators adopted their appeals processes in 1995. Yet the OCC Ombudsman has issued only 157 decisions, the Federal Reserve has decided just 25 appeals (although data from 1995-2000 are unavailable for the Federal Reserve), the FDIC's Supervision

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**“Dissatisfaction with the examination process often indicates that institutions disagree with examiners about material supervisory determinations.”**

**Examiners, Continued on page 8**

# McGladrey survey offers snapshot of loan loss reserve considerations

McGladrey conducted its 10th annual National Loan Loss Reserve Survey (LLR Survey) in the fall of 2014. This poll of leaders at more than 300 financial institutions gathered key data on reserve requirements for both classified and nonclassified loans, which were charted into six subgroups based on asset size. In addition, the full survey report also breaks out loan loss reserve details for institutions both nationally and across five separate U.S. geographic regions.

## Local economic conditions

For the second consecutive year, 50 percent of all respondents reported local market conditions were significantly improving or improving, while 48 percent of respondents feel the economy has remained stable. By far, large institutions were most confident, as 78 percent of executives polled from institutions with \$2 billion or more in assets thought market conditions were significantly improving or improving. Conversely, just 36 percent of leaders surveyed from institutions with \$250 million to \$500 million in assets agreed with that market assessment. While executives generally agreed that commercial loan performance was improving, the agricultural economy was showing signs of weakness, causing many lenders to hike loan loss

reserves in that area. On a regional basis, respondents in the West states were most optimistic (67 percent) about local market conditions, followed by the Southeast (55 percent) and Great Lakes (54 percent). On the other hand, only 43 percent of executives polled in the Northeast region and 42 percent in the Central region felt their local economies were either improving or significantly improving.

On a national level, 2015 will likely see acceleration in the demand for loans, leases and further improvement in credit quality. Rising job gains and real wages in 2015 will create the conditions for an improved risk-taking environment.

## Historical losses

Survey respondents said the median charge-off period to calculate the historical loss factor was three years, and 75 percent of those polled said their historical loss periods have not changed over the past year. That data is consistent with survey results from 2013; however, regulators are often recommending longer loss periods to encompass a broader economic cycle in the historical loss factor.

## Expectation of change in future general reserve factors

Approximately 72 percent of survey respondents said historical

loss factor trends were decreasing or significantly decreasing, with the West and Great Lakes regions (88 and 83 percent, respectively) leading the way. Meanwhile, just 37 percent said they plan to decrease general loss reserves over the next 12 months. That's a significant change from the 2013 survey, in which nearly half (49 percent) of respondents said general reserve factors would be decreased. Respondents from the Great Lakes and West regions (44 percent and 42 percent, respectively) were most likely to reduce their general loan loss reserve factors, while just 27 percent of those polled from Central region institutions plan to take that step during 2015.

## Loan loss credit trends

For the second straight year, 28 percent of respondents said they expect to record a credit to their loan loss provision during the next 12 months. Interestingly, just 17 percent of respondents from the Great Lakes institutions expect to record a credit provision in the next year, despite the survey's earlier finding in which 83 percent of that region's leaders said historical loss factors were declining or significantly declining. While loan losses are generally decreasing throughout the country, financial institutions are reluctant to reduce reserve factors to a point where credit provisions are required. Institutions should be cautious to ensure their allowance calculations are as accurate as possible and reflect management's

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**“2015 will likely see acceleration in the demand for loans, leases and further improvement in credit quality. Rising job gains and real wages ... will create the conditions for an improved risk-taking environment.”**

McGladrey, *Continued on page 8*

**Examiners,**

*Continued from page 6*

Appeals Review Committee has issued only 63 decisions, and the NCUA's Supervisory Review Committee has issued six decisions. When institutions do appeal, they seldom win. Most shockingly, the NCUA's Supervisory Review Committee has overturned only one MSD – the denial of a \$5,000 grant reimbursement from the Office of Small Credit Union Initiatives.

In light of the limited usefulness of the current MSD appeals processes, I recommend three changes. First, all financial institution regulators should adopt a consistent and broad scope of appealable matters. All examination ratings should be appealable. Moreover, institutions should be able to appeal MSDs that underlie enforcement actions if the financial institutions consented to the enforcement action. Second, all financial institution regulators should adopt a consistent and robust standard of review for evaluating appeals of MSDs. I favor a *de novo* standard of review. Third, all financial institution regulators should release decisions from appeals of MSDs. Although the decisions should be redacted sufficiently to protect the anonymity of the appealing financial institution and its customers, the released information should be complete enough to allow institutions, regulators, and the public to learn how the agency reads and applies relevant statutes and regulations. Although the reforms I propose do not go as far as proposals that would create a single super-Ombudsman to hear appeals from all financial institutions, my reforms target observable weaknesses in the current processes. ■

**McGladrey,**

*Continued from page 7*

best estimate of losses incurred as of the balance sheet date. Institutions unwilling to make credit provisions will likely need to substantiate and document increases in qualitative reserves in the coming year if provisions for new loan production are not sufficient to offset declining reserves on existing loans.

#### **Software tools and time spent on loan loss calculations**

The venerable Excel spreadsheet is still the tool of choice for handling loan loss reserve calculations. In fact, 84 percent of respondents to the 2014 LLR survey said they still use Excel-based models. Forty-eight financial institutions reported using a specific software system. While survey respondents reported spending an average of 29 hours per quarter on loan loss calculations, Excel users average about 26 hours while those using a dedicated software tool invested an average of 49 hours per quarter. When excluding financial institutions with more than \$2 billion in assets, the quarterly time commitment for Excel dropped to 18 hours, while time for dedicated software platform users fell to 32 hours.

#### **Understanding cumulative expected credit losses**

The Financial Accounting Standards Board (FASB) has proposed a new credit impairment model designed to require more timely recognition of expected credit losses on financial assets (those not accounted for at fair value through net income). In 2014, FASB gathered considerable feedback from the financial institution industry, investors, accounting firms and

advocacy groups while attempting to shape a final rule. In the 2014 LLR survey, 66 percent of participants from institutions with more than \$2 billion in assets reported they were “knowledgeable” or “well-versed” regarding the FASB proposal, far higher than the 42 percent of peers at smaller financial institutions who reported that level of understanding.

In open-ended comments, respondents expressed a high level of uncertainty regarding the proposed expected credit loss model. This was especially evident by respondents from smaller financial institutions, who are concerned it may be difficult for their institution to “operationalize” the rule in its proposed form.


#### **Loan loss reserve to total loan ratio**

Lenders in this year's survey reported loan loss reserves at 1.36 percent of total loans in 2014. That's a 32 percent decrease from 2013, where loan loss reserves were 1.99 percent of total loans. The decrease was most pronounced in the Northeast region, where the aggregate loan loss reserve in surveyed institutions stood at just 1.08 percent.

While most institutions now incorporate unallocated reserves into the general reserve through qualitative reserve factors, some lenders reported holding significant unallocated reserves in addition to their general reserve. In fact, 38 percent of total survey respondents reported an unallocated reserve representing 10 percent or more of total reserves. ■

*See McGladrey.com and search “2014 Loan Loss Survey” for complete survey results.*





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You can't afford to miss the **2015 Spring Seminar** of the **Bank Holding Company Association**. The seminar will help you "Build on a Foundation of Success," giving you the information and networking opportunities you need to take your bank holding company to the next level. The seminar is bigger and better than ever with an expanded Monday session, more breakout sessions, and outstanding speakers. The seminar takes place May 4-5 at the Minneapolis Airport Marriott Hotel in Bloomington, Minn.

We start at 3 p.m. on Monday afternoon with a special two-part session dealing with Subchapter S issues. Co-sponsored by the Subchapter S Bank Association, back-to-back presentations will look at the current issues affecting sub S banks and holding companies, and investment strategies designed to make the most of your sub S election. Be sure to bring your directors or bank colleagues with you to this session. Then, enjoy our traditional reception and dinner.

Economist **Edmond J. Seifreid** is our after-dinner speaker. If you wonder what rising rates might mean for your organization, you will want to hear Seifreid's comments. Thought-provoking and engaging, Seifreid has been informing and entertaining banker groups around the country for decades.

You won't want to be late for our Tuesday morning's opening session, which features four bankers who have conducted successful bank acquisitions in recent months. We've all heard from the consultants, but this will be an opportunity to hear from bankers who have actually made the deals that we've read about in the newspapers. **Ron Seib** (KleinBank), **Kurt Weise** (Central Bank), **Bob Atwell** (Nicolet Bankshares) and **Greg Hilding** (Bremer Financial) will share their first-hand accounts, as well as comment on the M&A environment in general.

**Julie Hill**, banking professor from the University of Alabama School of Law, will share her bold assertion that the regulatory appeals process is broken and in need of an update.

**Monday and Tuesday**  
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She'll give us the facts and offer ideas for a better way forward.

Breakout sessions will address cyber insurance, corporate governance, Fed policy, and 363 bankruptcies. The 35-minute sessions will be repeated, so you can take in twice as much information.

**Dominic Venturo**, Chief Innovation Officer for U.S. Bank Payment Services, will survey the tech landscape. Looking at everything from mobile payments to cyber security to voice biometrics, Venturo will give you the info you need to identify the best opportunities for your banking enterprise.

The seminar closes with rousing encouragement from **Paul Kingsman**, an Olympic silver medalist in swimming for New Zealand in 1988. Kingsman, now an executive coach, will explain how the concentration and laser-focus of an Olympian could be beneficial in your life. He will provide techniques for eliminating the distractions that prevent so many people from achieving their potential.

Our Tuesday agenda concludes with an a la carte opportunity for a festive night out at the **Chanhassen Dinner Theatre**. The play is *Mary Poppins*; bring your spouse or guest and make the most of this outstanding entertainment option.

Register today online at [www.theBHCA.org](http://www.theBHCA.org) or by filling out the form in this brochure and returning with your check. Be sure to bring along colleagues and members of your board of directors. If you are coming in from out of town, make your hotel reservation by April 22 to get the best rate at the Marriott.

Don't wait; register now! The BHCA Spring Seminar is your best two days in banking!

# 2015 Spring Seminar Agenda

## MONDAY, MAY 4

3:00 to 4:00 p.m.

### ***“Sub S Issues & Opportunities”***

Kevin Powers of Crowe Horwath, LLP, will look at the current issues facing holding companies and banks incorporated under subchapter S rules. He will provide the information necessary to make a valid comparison of sub S incorporation with traditional C corp rules.

4:00 to 5:00 p.m.

### ***“How to Leverage Your Sub S Election”***

Randy Rouse, executive vice president and chief investment officer of Broadway Bank, will share his bank's investment strategy for making the most of its S election. Broadway is a \$2.4 billion community bank in San Antonio, Texas. He is a regular presenter at the annual conference of the Subchapter S Bank Association and is making his first BHCA seminar presentation.

5:00 to 6:30

### ***Reception***

6:30 to 7:30

### ***Dinner***

7:30 to 8:30

### ***“Eyeing Rates and Other Economic Indicators”***

Economist Edmund Seifried will survey the economic landscape, identifying the areas of potential trouble and opportunity for community bank owners. Seifried is the chief economist of the Sheshunoff Affiliation Programs and serves on the faculty of several banking schools.

## TUESDAY, MAY 5

7:30 to 8:30 a.m.

### ***Registration/Breakfast***

8:30 to 9:30 a.m.

### ***“Acquisitions Panel”***

We open our day with first-person accounts of some of the recent, major acquisitions in the Upper Midwest community banking industry. Panelists are: Kurt Weise of Central Bank, Golden Valley, Minn., Ron Seib, KleinBank, Chaska, Minn., Robert Atwell, Nicolet Bankshares, Green Bay, Wis., and Greg Hilding, Bremer Financial, St. Paul, Minn. Each will describe acquisitions they have completed and then share ideas about what makes an acquisition successful.

9:30 to 10:30 a.m.

### ***“You Can Fight Back When Regulators Get It Wrong”***

Julie Hill, associate professor of law at the University of Alabama, digs into the appeals process available to bankers who believe their regulator may have gotten it wrong during the last exam. The appeals process, she asserts, is dysfunctional and seldom used. She shares the data to make her point and offers suggestions for a better way forward.

10:30 to 10:50 a.m.

### ***Break***

10:50 to 11:25 a.m.

### ***Round I of breakout sessions***

11:30 a.m. to 12:05 p.m.

### ***Round II of breakout sessions.***

*Each breakout session will be presented twice:*

### ***“363 Bankruptcy: Does it offer an acquisition opportunity?”***

By Adam Maier of Stinson Leonard Street

### ***“Cyber-liability – How to mitigate the risk”***

By Craig Collins of One Beacon Professional Insurance

### ***“Corporate Governance – It's never been more important”***

By Neil Falken of CliftonLarsonAllen and Ed Drentell of Winthrop and Weinstine

### ***“Fed's Small Bank Holding Company Policy and other regulatory developments”***

By Dan Hanger and Leann Kelly of the Federal Reserve Bank of Minneapolis

12:15 to 1:00 p.m.

### ***Lunch***

1:00 to 2:00 p.m.

### ***“What's Hot – And What's Not – In Bank Technology”***

Dominic Venturo is Chief Innovation Office for U.S. Bank Payment Services. He will talk about recent technological developments, with thoughts about which ones to pay attention to, and which ones to set aside. Customers want high-tech banking and Venturo will offer info that will help tech-challenged bank owners and execs make decisions about where to focus their energy and resources

2:00 to 3:00 p.m.

### ***“An Olympian's Approach to Success”***

Paul Kingman, an Olympic medalist in swimming, will close our seminar with an energetic presentation on ways to eliminate the distractions that prevent you from achieving your goals. Distraction-proof focus is the key to achieving your organization's goals and your personal goals. Kingman will share his own success story, as well as give you tips to write your own.

### ***Special Bankers' Night Out***

Dinner and show at the Chanhassen Dinner Theatre. The show is Mary Poppins. Enjoy a nice meal, great company, and a delightful show.

# Bank Holding Company Association

## Spring Seminar Registration ~ May 4-5, 2015

**Personal Information:**

Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
 Phone \_\_\_\_\_  
 Guest Name(s) \_\_\_\_\_  
 \_\_\_\_\_  
 Are you a BHCA member or associate member?      Yes \_\_\_\_\_ No \_\_\_\_\_

*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](http://www.theBHCA.org)**

**REGISTRATION OPTIONS:**

***Monday, May 4 – 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, May 5 – Seminar***

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

<b><i>Tuesday evening at the Chanhassen Dinner Theatres</i></b>	Number	Amount
Includes transportation, dinner and one ticket to <i>Mary Poppins</i>	\$125	_____

***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 April 22.

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.

***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**

*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*

## Competitive Analysis in the Applications Process

*By Daniel Hanger, Manager Applications/Surveillance, Federal Reserve Bank of Minneapolis*

The Federal Reserve considers several aspects of transactions when deciding whether to permit them. We must consider the transaction's impact on competition for banking services in the affected markets in select cases. We consider competitive implications when: 1) a holding company acquires a bank or thrift, 2) a state member bank or holding company merges with another organization, and 3) individual(s) acquire control of a holding company or state member bank. This article describes how the Federal Reserve analyzes the competitive effect of a proposal and suggests ways an applicant can address competitive issues.

The competitive analysis begins by determining if the parties to the proposal operate in the same market(s). The definition of a banking market is typically based upon factors that include, but are not limited to: 1) trade areas, 2) commuting patterns, 3) shopping patterns, and 4) political boundaries. Many markets follow Metropolitan Statistical Area (MSA) definitions or rural county lines. Other markets comprise multiple MSAs/counties or parts of MSAs/counties. The Federal Reserve Bank of Minneapolis maintains information about Ninth District bank markets on its website at (<https://www.minneapolisfed.org/banking/for-banks/market-definitions>). This information includes our preliminary banking market definitions and maps of those markets.

We presume no adverse competitive effects if the parties to a transaction do not share markets; that is, the transaction will not result in a reduction in the number of entities or intensity of competition for banking services. We evaluate the impact of combining operations in each market when the parties compete in a common market(s).

The Federal Reserve analyzes competitive effects by reviewing market shares and market concentration as measured by deposits, using the Herfindahl-Hirschman Index (HHI). The HHI is the sum of the squared market shares of each depository institution operating in the market. Generally, when calculating the HHI and market shares we give the deposits of commercial banks, thrifts and credit unions weights of 100 percent, 50 percent and 0 percent, respectively. The primary source for data used to determine market shares is the FDIC's Summary of Deposits. The data, which is collected annually as of June 30, includes the location of each branch and the dollar value of deposits at each branch. The Federal Reserve Bank of St. Louis maintains a website called CASSIDI™ (<http://cassidi.stlouisfed.org/>) which allows calculation of preliminary market shares and HHI changes for potential transactions nationwide. Users should remember that data from this source is preliminary and may change based on timing or the facts and circumstances of a specific application.

Federal Reserve System standards (which are generally consistent with those of the Department of Justice) suggest that an application may have an adverse impact on competition if: (1) the HHI increases by 200 points or more to a level of 1,800 or higher in any market, or (2) the market share for the acquiring party increases to more than 35 percent. Such applications must be acted on by the Board of Governors. See the Frequently Asked Questions related to competitive analysis available at: <http://www.federalreserve.gov/newsevents/press/bcreg/20141009a.htm> for additional information.

An applicant can overcome the suggestion of adverse competitive effects in several ways. First, in some circumstances, the Board may adjust the weight we apply to deposits of some thrifts or credit unions. For example, if the applicant can make a persuasive case that the lending activities of a thrift in the market resemble those of a typical community bank, we may assign a 100 percent weight to that thrift's deposits.

Second, an applicant could demonstrate the existence of mitigating factors — characteristics of a particular market that suggests that the market is more competitive than the HHI measure suggests. Mitigating factors can include 1) the attractiveness of a market for entry, 2) the number of competitors, 3) the number of competitors with significant market shares, and 4) a very weak local economy.

Third, the applicant could agree to divest of one or more branches, including the assets and deposits associated with those branches. Sale of deposits to a disinterested third party could reduce the concentration of deposits in the affected market.

# 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.

▷ Midland States Bancorp, Inc., Effingham, Ill., authorized to acquire Love Savings Holding Company, St. Louis, and its subsidiary, Heartland Bank, FSB, and for Midland States Bank, Effingham, to merge with Heartland Bank, FSB, St. Louis.

▷ First Busey Corporation, Champaign, Ill., authorized to acquire Herget Financial Corporation, Peekin, and thereby acquire Herget Bank, N.A.

▷ The First National Bank of Bancroft, Neb., will retain membership in the Federal Reserve System on conversion to a state-chartered institution, to be called First Bank of Bancroft.

▷ Brookfield Financial Holdings, Inc., Brookfield, Ill., filed to become a bank holding company by acquiring First National Bank of Brookfield.

▷ Gregory Jackson, Detroit, individually, and Roy S. Roberts, Bloomfield Hills, Mich., filed to acquire 25 percent or more of First Independence Corp., Detroit, and thereby acquire First Independence Bank, Detroit.

▷ Level One Bancorp, Inc., Farmington Hills, Mich. filed to merge with Lotus Bancorp, Inc., Novi, Mich., and thereby acquire Lotus Bank, Novi.

▷ Deerwood Bancshares, Inc., Deerwood, Minn., through its subsidiary, Deerwood Bank, Deerwood, filed to acquire American Bank of Saint Paul, Minn.

▷ Park Financial Group, Inc., Minneapolis, filed to become a bank holding company by acquiring Park State Bank, Duluth, Minn.

▷ Blair Corporation, Omaha, Neb., authorized to become a bank holding company by acquiring Washington County Bank, Blair, Neb.

▷ Central Bank Corporation, Sault Sainte Marie, Mich., authorized to acquire shares of Lasco Development Corp., Marquette, through Central Bank's subsidiaries, Central Savings Bank, Sault Sainte Marie, and Central Financial Corp.

▷ Danes Inc., Omaha, Neb., authorized to become a bank holding company by acquiring Shelby County State Bank, Harlan, Iowa.

▷ Red Oak Financial Corporation, Omaha, Neb., authorized to become a bank holding company by acquiring Houghton State Bank, Red Oak, Iowa.

▷ Talmer Bancorp Inc., Troy, Mich., authorized to merge with First of Huron Corp., Bad Axe, Mich., and thereby acquire Signature Bank.

▷ York Holdings, Inc., Omaha, Neb., authorized to become a bank holding company by acquiring York State Bank, York, Neb.

▷ Change in Control notice filed by Gregory Robert LeGare, Osseo, Wis., to acquire 25 percent or more of United Bancorporation, and thereby gain control of United Bank, Osseo; Farmers State Bank, Stickney, S.D.; Clarke County State Bank, Osceola, Iowa; Bank

of Poynette, Wis.; Cambridge State Bank, Cambridge, Wis.; and Lincoln Community Bank, Merrill, Wis.

▷ Notice by MidWestOne Financial Group, Inc., Iowa City, Iowa, to acquire up to 100 percent of the voting shares of Central Bancshares, Inc., Golden Valley, Minn., and thereby acquire Central Bank, Golden Valley.

▷ First Waterloo Bancshares, Inc., Waterloo, Ill., authorized to acquire Prairie National Bank, Stewardson, Ill.

▷ AMB Financial Corp., Munster, Ind., authorized to become a bank holding company by acquiring American Community Bank of Indiana (formerly American Savings, FSB), Munster, on its conversion to a commercial bank.

▷ Chemical Financial Corporation, Midland, Mich., authorized to merge with Monarch Community Bancorp, Inc., Coldwater, and thereby acquire Monarch Community Bank; and for Chemical Bank, Midland, to merge with Monarch Community Bank, Coldwater.

▷ Notice filed by William C. Hess, individually, and with his wife, Karen, both of Carroll, Iowa, to gain control of Community Grain Co., Carroll, and thereby control Iowa Savings Bank, Carroll.

▷ Toby R. Kommer, Fargo, N.D., filed to gain control of Hatton Bancshares, Inc., Fargo, N.D., and thereby gain control of The Farmers and Merchants National Bank of Hatton, N.D.

▷ Centra Ventures, Inc., Foley, Minn., authorized to acquire Community Pride Bank Corporation, Ham Lake, and thereby acquire Community Pride Bank, Isanti.

▷ Change in Control notice filed by Thomas Lee Loonan, Easton, Minn., to acquire 25 percent or more of Easton Bancshares, Inc., Easton, Minn., and thereby gain control of State Bank of Easton.

▷ Border Bancshares, Inc., Greenbush, Minn., authorized to acquire First Advantage Bank, Coon Rapids, Minn.

▷ Central Bancshares, Inc., Muscatine, Iowa, filed to acquire Buf-

falo Prairie State Bank, Buffalo Prairie, Ill., and to simultaneously merge Buffalo Prairie State Bank into Central Bancshares, Inc.'s wholly-owned bank, Central State Bank, Muscatine.

▷ Dutton Bancorporation, Inc., Dutton, Mont., authorized to acquire W.C. Edwards Holding Company, Denton, Mont., and thereby acquire Farmers State Bank.

▷ First York Ban Corp., York, Neb., authorized to acquire Loup Valley Bancshares, North Loup, Neb.; and for First York's subsidiary, Cornerstone Bank, York, to merge with North Loup Valley Bank, North Loup, and thereby establish a branch.

▷ FNB Barry Bancorp, Inc., Barry, Ill., filed to become a bank holding company by acquiring at least 66 percent of First National Bank of Barry.

▷ Change in Control notice filed by Vance Vinar, Sr., Vance Vinar, Jr., Kaylin Vinar, Jared Vinar, Joey Vinar, Chad Wolff, and Courtney Wolff, all of Faribault, Minn., to acquire 10 percent or more of Reliance Bancorporation, Inc., Faribault, and thereby gain control of Reliance Bank, Faribault.

▷ Citizens National Corp., Wisner, Neb., filed to acquire up to an additional 0.16 percent for a total of 35.36 percent of Republic Corporation, parent of United Republic Bank, both in Omaha, Neb.

▷ HF Financial Corp., Sioux Falls, S.D. authorized to become a bank holding company through the conversion of its savings bank subsidiary, Home Federal Bank, Sioux Falls, to a South Dakota state-chartered bank.

▷ North American Banking Company, Roseville, Minn., authorized to become a member of the Federal Reserve System.

▷ Hill Road Financial Holdings LLC and Hill Road Acquisition Corp., both of Chicago, filed to become bank holding companies through the acquisition of Citizens First State Bank of Walnut, Ill.

▷ American Bancor, Ltd., Dickinson, N.D., filed to acquire United Community Bank of North Dakota, Leeds, N.D. ■

# New to BHCA

The Bank Holding Company Association welcomes these Associate Members:

Dedicated Commercial Recovery Inc.

**Shane Davis**

President

**Shawn Smith**

CEO

Roseville, Minn.

Dedicated Commercial Recovery Inc., is a full-service commercial collections and remarketing agency.

SHAZAM

**James Ghiglieri**

Senior Vice President,  
Relationship Developer  
Johnston, Iowa

The SHAZAM Network is one of the last remaining member-owned and -controlled electronic funds transfer networks and processors in the industry. SHAZAM provides innovative EFT services to community financial institutions throughout the United States. SHAZAM is a single-source provider of core, risk management, card, ATM, marketing, merchant, mobile, and automated clearing house services.

## Dinner Theatre!

In conjunction with the Spring Seminar, join your BHCA friends for a night out to the Chanhassen Dinner Theatre's production of "Mary Poppins."

Based upon the iconic Disney film, *Mary Poppins* is a family musical featuring breathtaking dance numbers and unforgettable songs including: "Chim Chim Cher-ee," "A Spoonful of Sugar," "Supercalifragilisticexpialidocious" and "Let's Go Fly A Kite." What could be more jolly? Winner of 44 major theatre awards from around the globe, this enchanting musical has captivated audiences for generations.

This is a great social event for you to entertain your spouse or guests/colleagues from the bank. Or, consider making it a night out for your directors. Our price includes everything except beverages.

Register online at [www.theBHCA.org](http://www.theBHCA.org).

**Special package rate is \$125 per person**

## President's Observations, Continued from page 4

success during the years to come. I know that every time I participate in a BHCA event, I am energized at the prospects for the industry and for my bank holding company.

I am grateful to my colleagues in the industry and at the BHCA for the outstanding industry outlook that awaits us. As 2014 grows smaller in the rearview mirror, I want to thank last year's BHCA President Bill Rosacker of United Bankers' Bank in Bloomington, Minn., for his service to the association. I also want to acknowledge the service of Robert Etter with the Farmers & Merchants Agency in Pierz, Minn., and Doug Farmer of Golden Oak Bancshares in Holmen, Wis., whose terms concluded at the end of 2014. Thank you for your valuable contributions over the years.

Michael Vekich of HF Financial Corp., Sioux Falls, S.D., is our vice president for 2015; Larry Peterson of First Financial Services in Moose Lake, Minn., remains our Treasurer/Secretary. With their help, and the assistance of all the members of the board of directors, I look forward to serving you throughout the coming year. □

## Down to Business, Continued from page 5

Members who have information relevant to our audience, presentable in a 50-minute format, are encouraged to give me a call and discuss the possibility to producing a webinar. You will see on the back page of this magazine a series of webinars the BHCA will be presenting this year. Later, we will announce our three-part webinar series designed for bank directors.

Finally, we invite our Associate Members to get involved with our Spring and Fall Seminars. There are a number of ways to do so. First, become a seminar sponsor. There are a number of sponsorship levels, featuring a variety of specific benefits. Sponsorship is essential to the successful production of our seminars. We are able to keep the registration price of the seminars relative low because of the generous sponsorship we receive from our Associate Members. Second, consider making a presentation at one of our breakout sessions. Associate Members who have topics to present should contact me to discuss whether it would make a good breakout session. If so, I will get you on the schedule for a future seminar, although be aware these are generally planned well in advance. Third, come to the seminars, and bring as many colleagues and customers as possible. The main benefit of BHCA membership is our annual seminars so I invite you to participate in them as often as possible. And fourth, encourage your customers and prospects to come to the seminar. If you have a newsletter you distribute by email or traditional mail, consider including a blurb about our seminar. Word-of-mouth advertising is perhaps the most effective marketing there is. Your good word about our seminars goes a long way.

Thank you so much for your support, and I look forward to seeing you May 4-5! □

## Fed Notes, Continued from page 12

Fourth, an applicant may disagree with our preliminary market definition. The applicant would need to propose an alternative market definition which could be larger or smaller than the preliminary market. The applicant must provide evidence that residents of the proposed market tend to obtain banking services within the proposed market and that the market is not unreasonably large.

Finally, facilitating the smooth transfer of assets by acquiring a failing target may outweigh negative competitive effects of a transaction.

The Federal Reserve Bank of Minneapolis encourages any organization contemplating an acquisition that potentially would have a negative effect on competition to contact applications staff early in the process. We can assist you in understanding options available to address potential adverse competitive effects. □

# IOWA BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
<b>1.HEARTLAND FINANCIAL USA, INC., DUBUQUE</b>	<b>5,913,918</b>		<b>23.COMMERCIAL FINANCIAL CORP., STORM LAKE</b>	<b>645,623</b>	
ARIZONA BANK & TRUST, PHOENIX, AZ		467,966	CENTRAL BANK, STORM LAKE		630,468
DUBUQUE BANK AND TRUST CO., DUBUQUE		1,393,392	<b>24.FSB FINANCIAL SERVICES, INC., WATERLOO</b>	<b>566,244</b>	
GALENA STATE BANK AND TRUST CO., GALENA, IL		297,298	FARMERS STATE BANK, WATERLOO		560,944
MINNESOTA BANK & TRUST, EDINA, MN		165,250	<b>25.PILOT BANCORP, INC., PILOT GROVE</b>	<b>551,537</b>	
MORRILL & JANES BANK AND TRUST CO., OVERLAND PARK, KS		837,148	PILOT GROVE SAVINGS BANK, PILOT GROVE		551,537
NEW MEXICO BANK & TRUST, ALBUQUERQUE, NM		1,050,116	<b>26.FIDELITY BAN CORP., INDEPENDENCE</b>	<b>512,014</b>	
RIVERSIDE COMMUNITY BANK, ROCKFORD, IL		506,150	BANKIOWA, CEDAR RAPIDS		511,015
ROCKY MOUNTAIN BANK, BILLINGS, MT		472,079	<b>27.DUNN INVESTMENT CO., MANCHESTER</b>	<b>495,269</b>	
SUMMIT BANK & TRUST, BROOMFIELD, CO		135,721	FARMERS & MERCHANTS SAVINGS BANK, MANCHESTER		376,994
WISCONSIN BANK AND TRUST, MADISON, WI		658,772	SECURITY SAVINGS BANK, EAGLE GROVE		117,388
<b>2.MIDAMERICA FINANCIAL CORP., DES MOINES</b>	<b>3,490,174</b>		<b>28.GNB BANCORP., GRUNDY CENTER</b>	<b>493,391</b>	
BANKERS TRUST CO., DES MOINES		3,035,276	ACKLEY STATE BANK, ACKLEY		148,924
BANKERS TRUST CO., CEDAR RAPIDS		456,225	GNB BANK, GRUNDY CENTER		342,007
<b>3.HILLS BANCORP., HILLS</b>	<b>2,219,818</b>		<b>29.HOW-WIN DEVELOPMENT CO., CRESCO</b>	<b>481,254</b>	
HILLS BANK AND TRUST CO., HILLS		2,219,352	C US BANK, CRESCO		428,993
<b>4.MIDWESTONE FINANCIAL GROUP, INC., IOWA CITY</b>	<b>1,729,907</b>		<b>30.VOGEL BANCSHARES, INC., ORANGE CITY</b>	<b>474,901</b>	
MIDWESTONE BANK, IOWA CITY		1,719,699	IOWA STATE BANK, HULL		473,145
<b>5.NORTHWEST FINANCIAL CORP., ARNOLDS PARK</b>	<b>1,582,208</b>		<b>31.CEDAR VALLEY BANKSHARES, LTD., CHARLES CITY</b>	<b>458,815</b>	
FIRST NATIONAL BANK IN CRESTON, CRESTON		226,530	FIRST SECURITY BANK AND TRUST CO., CHARLES CITY		458,717
NORTHWEST BANK, SPENCER		1,348,149	<b>32.IOWA FIRST BANCSHARES CORP., MUSCATINE</b>	<b>441,889</b>	
<b>6.WEST BANCORP., INC., WEST DES MOINES</b>	<b>1,535,693</b>		FIRST NATIONAL BANK IN FAIRFIELD		132,183
WEST BANK, WEST DES MOINES		1,521,297	FIRST NATIONAL BANK OF MUSCATINE		311,234
<b>7.ATBANCORP, DUBUQUE</b>	<b>1,359,685</b>		<b>33.PEOPLES BANCORP, ROCK VALLEY</b>	<b>430,016</b>	
AMERICAN BANK & TRUST WISCONSIN, CUBA CITY, WI		140,633	PEOPLES BANK, ROCK VALLEY		427,356
AMERICAN TRUST & SAVINGS BANK, DUBUQUE		969,303	<b>34.DENTEL BANCORP., VICTOR</b>	<b>422,616</b>	
UNITED AMERICAN BANK, SAN MATEO, CA		252,876	CORYDON STATE BANK, CORYDON		95,695
<b>8.IDA GROVE BANCSHARES, INC., IDA GROVE</b>	<b>1,244,098</b>		FIRST STATE BANK, COLFAX		70,355
UNITED BANK OF IOWA, IDA GROVE		1,243,580	MAXWELL STATE BANK, MAXWELL		29,515
<b>9.AMES NATIONAL CORP., AMES</b>	<b>1,235,704</b>		PANORA STATE BANK, PANORA		72,871
BOONE BANK & TRUST CO., BOONE		126,869	POCAHONTAS STATE BANK, POCAHONTAS		99,379
FIRST NATIONAL BANK AMES		628,985	VICTOR STATE BANK, VICTOR		54,521
RELIANCE STATE BANK, STORY CITY		220,148	<b>35.GREENE INVESTMENT CO., JEFFERSON</b>	<b>420,965</b>	
STATE BANK & TRUST CO., NEVADA		159,084	AUDUBON STATE BANK, AUDUBON		101,011
UNITED BANK & TRUST N.A., MARSHALLTOWN		110,533	HOME STATE BANK, JEFFERSON		194,959
<b>10.FIRST CITIZENS FINANCIAL CORP., MASON CITY</b>	<b>1,193,860</b>		SOUTH STORY BANK & TRUST, SLATER		124,085
FIRST CITIZENS NATIONAL BANK, MASON CITY		1,039,139	<b>36.HERKY HAWK FINANCIAL CORP., MONTICELLO</b>	<b>408,767</b>	
<b>11.BANK IOWA CORP., WEST DES MOINES</b>	<b>1,115,337</b>		CITIZENS STATE BANK, MONTICELLO		360,834
BANK IOWA, WEST DES MOINES		1,107,755	<b>37.VISIONBANKSHARES, INC., BOONE</b>	<b>408,145</b>	
<b>12.STARK BANK GROUP, LTD., FORT DODGE</b>	<b>1,080,606</b>		VISIONBANK OF IOWA, AMES		407,979
FIRST AMERICAN BANK, FORT DODGE		1,078,217	<b>38.CORNERSTONE FIN'L SVCS GROUP, INC., OTTUMWA</b>	<b>386,205</b>	
<b>13.OHNWARD BANCSHARES, INC., MAQUOKETA</b>	<b>990,170</b>		SOUTH OTTUMWA SAVINGS BANK, OTTUMWA		302,456
FIRST CENTRAL STATE BANK, DE WITT		319,024	WEST LIBERTY STATE BANK, WEST LIBERTY		83,209
GATEWAY STATE BANK, CLINTON		135,278	<b>39.MIDSTATES BANCSHARES, INC., HARLAN</b>	<b>375,824</b>	
MAQUOKETA STATE BANK, MAQUOKETA		314,434	MIDSTATES BANK, N.A., COUNCIL BLUFFS		370,178
OHNWARD BANK & TRUST, CASCADE		217,391	<b>40.SECURITY AGENCY, INC., DECORAH</b>	<b>375,055</b>	
<b>14.AMBANK CO., INC., SIOUX CENTER</b>	<b>952,166</b>		DECORAH BANK AND TRUST CO., DECORAH		373,925
AMERICAN BANK, N.A., LE MARS		268,289	<b>41.W. J. YOUNG &amp; CO., CLINTON</b>	<b>372,101</b>	
AMERICAN STATE BANK, SIOUX CENTER		673,084	CLINTON NATIONAL BANK, CLINTON		372,097
<b>15.VAN DIEST INVESTMENT CO., ANKENY</b>	<b>926,355</b>		<b>42.RIGLER INVESTMENT CO., NEW HAMPTON</b>	<b>366,672</b>	
COMMUNITY STATE BANK, ANKENY		586,832	STATE BANK, NEW HAMPTON		365,908
FIRST STATE BANK, WEBSTER CITY		338,033	<b>43.GREEN BELT BANCORP., IOWA FALLS</b>	<b>365,138</b>	
<b>16.LINCOLN BANCORP, REINBECK</b>	<b>753,380</b>		GREEN BELT BANK & TRUST, IOWA FALLS		364,967
LINCOLN SAVINGS BANK, CEDAR FALLS		738,750	<b>44.AMBANK HOLDINGS, INC., DAVENPORT</b>	<b>364,414</b>	
<b>17.CENTRAL BANCSHARES, INC., MUSCATINE</b>	<b>708,518</b>		AMERICAN BANK AND TRUST CO., N.A., DAVENPORT		363,695
CENTRAL STATE BANK, MUSCATINE		435,773	<b>45.ARNESON BANCSHARES, INC., CLEAR LAKE</b>	<b>351,527</b>	
FARMERS AND MECHANICS BANK, GALESBURG, IL		279,221	CLEAR LAKE BANK AND TRUST CO., CLEAR LAKE		351,527
<b>18.FIDELITY CO., DUBUQUE</b>	<b>706,989</b>		<b>46.PSB CORP., WELLSBURG</b>	<b>344,173</b>	
COMMUNITY STATE BANK, TIPTON		106,850	DENVER SAVINGS BANK, DENVER		139,193
FIDELITY BANK & TRUST, DUBUQUE		593,458	FIRST STATE BANK, SUMNER		104,996
<b>19.GOODENOW BANCORP., OKOBOJI</b>	<b>696,788</b>		PEOPLES SAVINGS BANK, WELLSBURG		99,551
BANK MIDWEST, SPIRIT LAKE		696,458	IOWA STATE BANK HOLDING CO., DES MOINES		343,434
<b>20.CARROLL COUNTY BANCSHARES, INC., CARROLL</b>	<b>674,746</b>		IOWA STATE BANK, DES MOINES		343,215
CARROLL COUNTY STATE BANK, CARROLL		359,526	<b>47.EASTER ENTERPRISES, INC., SPENCER</b>	<b>337,518</b>	
CITIZENS STATE BANK, FORT DODGE		144,326	FARMERS TRUST AND SAVINGS BANK, SPENCER		337,432
COMMUNITY BANK, NEVADA		171,494	<b>48.PRIMEBANK, INC., LE MARS</b>	<b>329,594</b>	
<b>21.TWO RIVERS FINANCIAL GROUP, INC., BURLINGTON</b>	<b>670,950</b>		PRIMEBANK, LE MARS		329,593
TWO RIVERS BANK & TRUST, BURLINGTON		647,874	<b>49.LARCH BANCORP., INC., LARCHWOOD</b>	<b>326,276</b>	
NEIGHBOR INSURANCE AGENCY, INC., MARION		661,197	EXCHANGE STATE BANK, LUVERNE, MN		151,545
FARMERS STATE BANK, MARION		660,990	SECURITY SAVINGS BANK, CANTON, SD		174,201
<b>22.LUANA BANCORP., LUANA</b>	<b>649,972</b>				
LUANA SAVINGS BANK, LUANA		649,972			

Source: Regulatory financial reports filed by bank holding companies and banks, data as of June 30, 2014. \*Dollar amounts in thousands

# IOWA BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
<b>50. FIRST OF WAVERLY CORP., WAVERLY</b> FIRST NATIONAL BANK, WAVERLY	325,064	323,265	<b>80. VILLAGE INVESTMENT CO., LIBERTYVILLE</b> LIBERTYVILLE SAVINGS BANK, FAIRFIELD	212,070	210,510
<b>51. COMMUNITY FINANCIAL CORP., EDGEWOOD</b> COMMUNITY SAVINGS BANK, EDGEWOOD	317,183	316,890	<b>81. GLENWOOD BANCORP., GLENWOOD</b> FRONTIER SAVINGS BANK, COUNCIL BLUFFS GLENWOOD STATE BANK, GLENWOOD	208,726	35,296 172,776
<b>52. GRINNELL BANCSHARES, INC., GRINNELL</b> GRINNELL STATE BANK, GRINNELL	317,074	275,821	<b>82. FIRST COMMUNITY BANCSHARES CORP., ANAMOSA</b> CITIZENS SAVINGS BANK, ANAMOSA FIRST COMMUNITY BANK, MILTON, WI	208,484	122,250 86,234
<b>53. TREYNOR BANCSHARES, INC., TREYNOR</b> TREYNOR STATE BANK, TREYNOR	300,326	295,901	<b>83. STATE CENTER FINANCIAL, INC., STATE CENTER</b> CENTRAL STATE BANK, STATE CENTER	203,117	200,018
<b>54. LIBERTY FINANCIAL SERVICES, INC., SIOUX CITY</b> LIBERTY NATIONAL BANK, SIOUX CITY	296,610	295,402	<b>84. AJJ BANCORP, INC., ELKADER</b> CENTRAL STATE BANK, ELKADER	202,992	202,992
<b>55. CLARKEL, INC., KESLEY</b> IOWA STATE BANK, CLARKSVILLE	295,376	292,844	<b>85. WHITNEY CORP. OF IOWA, ATLANTIC</b> FIRST WHITNEY BANK AND TRUST, ATLANTIC	202,126	201,779
<b>56. MID-IOWA BANCSHARES CO., ALGONA</b> IOWA STATE BANK, ALGONA	291,376	291,212	<b>86. NORTHWEST INVESTMENT CORP., DAVENPORT</b> NORTHWEST BANK & TRUST CO., DAVENPORT	197,457	194,692
<b>57. MBT CORP., FOREST CITY</b> MANUFACTURERS BANK & TRUST CO., FOREST CITY	290,799	290,748	<b>87. WHITMORE CO., INC., CLARINDA</b> PCSB BANK, CLARINDA	196,288	195,098
<b>58. PREMIER HOLDINGS, LTD, ROCK VALLEY</b> PREMIER BANK, ROCK VALLEY	288,699	288,700	<b>88. MILFORD BANCORP., MILFORD</b> UNITED COMMUNITY BANK, MILFORD	196,223	195,292
<b>59. PELLA FINANCIAL GROUP, INC., PELLA</b> MARION COUNTY STATE BANK, PELLA	280,544	279,410	<b>89. FARMERS &amp; MERCH. BNCSHRS, INC., BURLINGTON</b> FARMERS & MERCHANTS BANK & TRUST, BURLINGTON	186,973	186,106
<b>60. GREEN CIRCLE INVESTMENTS, INC., CLIVE</b> PEOPLES TRUST & SAVINGS BANK, CLIVE	277,862	277,677	<b>90. FARMERS &amp; MERCHANTS BANCORP, WINTERSET</b> FARMERS & MERCHANTS STATE BANK, WINTERSET	186,750	186,647
<b>61. ALBRECHT FINANCIAL SERVICES, INC., NORWALK</b> CITY STATE BANK, NORWALK	275,829	274,754	<b>91. NORTHWOOD FIN'L SERVICES CORP., NORTHWOOD</b> NSB BANK, MASON CITY	186,714	186,714
<b>62. VAN BUREN BANCORP., KEOSAUQUA</b> COMMUNITY FIRST BANK, KEOSAUQUA FIRST IOWA STATE BANK, ALBIA	274,784	133,822 138,810	<b>92. STORM LAKE SECURITY BANCORP., STORM LAKE</b> SECURITY TRUST & SAVINGS BANK, STORM LAKE	186,429	185,952
<b>63. LEROY C. DARBY, INC., ELKADER</b> FREEDOMBANK, ELKADER	268,005	267,653	<b>93. EMMETSBURG BANK SHARES, INC., EMMETSBURG</b> IOWA TRUST & SAVINGS BANK, EMMETSBURG	183,028	181,838
<b>64. COUNTRY BANCORP., CRAWFORDSVILLE</b> CENTER POINT BANK AND TRUST CO., CENTER POINT EXCHANGE STATE BANK, SPRINGVILLE HIAWATHA BANK & TRUST CO., HIAWATHA PEOPLES SAVINGS BANK, CRAWFORDSVILLE PEOPLES TRUST AND SAVINGS BANK, RIVERSIDE WALKER STATE BANK, WALKER WHITE STATE BANK, SOUTH ENGLISH	264,299	31,561 48,318 42,400 35,704 28,977 40,921 35,131	<b>94. NORTHSTAR BANCSHARES, INC., ESTHERVILLE</b> NORTHSTAR BANK, ESTHERVILLE	180,037	180,064
<b>65. PREMIER FINANCIAL CORP., DUBUQUE</b> PREMIER BANK, DUBUQUE	257,988	258,096	<b>95. COMMUNITY GRAIN CO., CARROLL</b> IOWA SAVINGS BANK, CARROLL	179,866	179,697
<b>66. M.S.B. CORP., CENTRAL CITY</b> NXT BANK, CENTRAL CITY	255,098	255,098	<b>96. HARDIN COUNTY BANCORP., ELDORA</b> HARDIN COUNTY SAVINGS BANK, ELDORA	179,458	178,188
<b>67. C-B-G, INC., WEST LIBERTY</b> COMMUNITY BANK & TRUST, MUSCATINE	250,974	250,477	<b>97. IOWA RIVER BANCORP, INC., MARSHALLTOWN</b> PINNACLE BANK, MARSHALLTOWN	176,645	176,553
<b>68. GUARANTY BANCSHARES, LTD., CEDAR RAPIDS</b> GUARANTY BANK AND TRUST CO., CEDAR RAPIDS	250,764	245,522	<b>98. TALEN, INC., TRAEER</b> FARMERS SAVINGS BANK & TRUST, TRAEER	174,457	172,663
<b>69. FNC., INC., STORM LAKE</b> CITIZENS FIRST NATIONAL BANK, STORM LAKE	249,013	209,618	<b>99. KINGSLEY BANC CORP, KINGSLEY</b> KINGSLEY STATE BANK, KINGSLEY	174,397	174,397
<b>70. WFC, INC., WAUKON</b> WAUKON STATE BANK, WAUKON	247,578	247,578	<b>100. BRADLEY BANCORP, INC., CENTERVILLE</b> IOWA TRUST AND SAVINGS BANK, CENTERVILLE	171,959	171,945
<b>71. OAKLAND FINANCIAL SERVICES, INC., OAKLAND</b> ARBOR BANK, NEBRASKA CITY, NE KERNDT BANK SERVICES, INC., LANSING KERNDT BROTHERS SAVINGS BANK, LANSING	246,115	243,349 243,013 242,986	<b>101. FAYETTE BANCORP., MARION</b> CITIZENS SAVINGS BANK, HAWKEYE MAYNARD SAVINGS BANK, MAYNARD SECURITY STATE BANK, WAVERLY	170,097	28,191 58,464 80,878
<b>72. KOSS-WINN BANCSHARES, INC., BUFFALO CENTER</b> FARMERS TRUST & SAVINGS BANK, BUFFALO CENTER	238,664	238,540	<b>102. FARMERS STATE BANCSHARES, INC., MASON CITY</b> FARMERS STATE BANK, NORTHWOOD	168,471	168,419
<b>73. ANITA BANCORP., ATLANTIC</b> ROLLING HILLS BANK & TRUST, ATLANTIC	234,018	231,279	<b>103. TITONKA BANCSHARES, INC., TITONKA</b> TITONKA SAVINGS BANK, TITONKA	167,578	166,431
<b>74. W.S.B., INC., WASHINGTON</b> WASHINGTON STATE BANK, WASHINGTON	232,977	232,984	<b>104. CAPITAL BANCSHARES, INC., PRIMGHAR</b> SAVINGS BANK, PRIMGHAR	163,712	163,711
<b>75. INDEPENDENCE BANCSHARES, INC., INDEPENDENCE</b> NORTHEAST SECURITY BANK, SUMNER SECURITY STATE BANK, INDEPENDENCE	229,556	126,151 102,033	<b>105. DIXON BANCSHARES, INC., ROLFE</b> CITIZENS STATE BANK, SHELDON ROLFE STATE BANK, ROLFE	162,726	114,701 47,225
<b>76. PERRY INVESTMENT CO., PERRY</b> RACCOON VALLEY BANK, PERRY	225,973	225,558	<b>106. MARJON BANCORP., INC., COLESBURG</b> FARMERS SAVINGS BANK, COLESBURG	162,437	160,379
<b>77. HTB, INC., OSAGE</b> HOME TRUST & SAVINGS BANK, OSAGE	217,497	216,456	<b>107. CFB HOLDING CO., CLINTON</b> CITIZENS FIRST BANK, CLINTON	161,993	161,992
<b>78. IOWA COMMUNITY BANCORP, INC., CRESTON</b> IOWA STATE SAVINGS BANK, CRESTON	215,680	215,358	<b>108. LEE CAPITAL CORP., FORT MADISON</b> LEE COUNTY BANK AND TRUST, N.A., FORT MADISON	161,463	140,908
<b>79. FIRST FONTANELLE BANCORP., FONTANELLE</b> FIRST NATIONAL BANK, FONTANELLE	213,869	213,401	<b>109. FREEDOM HOLDINGS CO., WEST DES MOINES</b> FREEDOM FINANCIAL BANK, WEST DES MOINES	160,763	160,226
			<b>110. OSCEOLA BANCORP., OSCEOLA</b> AMERICAN STATE BANK, OSCEOLA	160,635	160,633
			<b>111. FIRST BELMONT BANCORP., BELMONT</b> COMMUNITY BANK OF OELWEIN FIRST STATE BANK, BELMONT	159,380	99,283 95,869

Source: Regulatory financial reports filed by bank holding companies and banks, data as of June 30, 2014. \*Dollar amounts in thousands



# IOWA BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
112.COMMUNITY BANCSHARES CORP., INDIANOLA COMMUNITY BANK, INDIANOLA	156,585	156,579	145.GUTHRIE CTY BANCSHARES, INC., GUTHRIE CTR GUTHRIE COUNTY STATE BANK, PANORA	113,782	113,413
113.FORT MADISON FINANCIAL CO., FORT MADISON FORT MADISON BANK & TRUST CO., FORT MADISON	156,108	156,108	146.SAC CITY LIMITED, CARROLL IOWA STATE BANK, SAC CITY	112,560	112,237
114.J. E. COONLEY CO., HAMPTON UNITED BANK AND TRUST CO., HAMPTON	153,561	153,174	147.WASHINGTON BANCORP, WASHINGTON FEDERATION BANK, WASHINGTON	112,516	112,516
115.CENTRAL SOUTH BANCORP., INC., INDIANOLA PEOPLES SAVINGS BANK, INDIANOLA	151,836	151,756	148.LONE TREE SERVICE CO., LONE TREE FARMERS & MERCHANTS SAVINGS BANK, IOWA CITY	110,047	109,63
116.VANDERBILT HOLDING CO., INC., FAIRFAX FAIRFAX STATE SAVINGS BANK, FAIRFAX	151,648	151,648	149.FIRST STATE BANK HOLDING CO., LYNNVILLE FIRST STATE BANK, LYNNVILLE	109,228	108,783
117.DE WITT BANCORP, INC., DE WITT DE WITT BANK & TRUST CO., DE WITT	150,796	149,657	150.IT&S OF IOWA, INC., OSKALOOSA TRUBANK, OSKALOOSA	107,068	106,436
118.GARRETT BANCSHARES, LTD., BLOOMFIELD SUCCESS BANK, BLOOMFIELD	149,171	130,478	151.MOUNT VERNON BANCORP., MOUNT VERNON MOUNT VERNON BANK AND TRUST CO., MOUNT VERNON	106,527	106,527
119.LEIGHTON INVESTMENT CO., PELLA LEIGHTON STATE BANK, PELLA	147,900	147,518	152.MID AMERICA BANKS, INC., COLLINS EXCHANGE STATE BANK, COLLINS	105,293	104,656
120.COMMERCIAL BAN CORP., CARROLL COMMERCIAL SAVINGS BANK, CARROLL	146,616	146,736	153.DRAKE HOLDING CO., RADCLIFFE SECURITY STATE BANK, RADCLIFFE	104,644	104,222
121.COMMUNITY STATE BANCORP., SPENCER COMMUNITY STATE BANK, SPENCER	146,136	144,147	154.SSB HOLDING CO., INC., WEST DES MOINES STATE SAVINGS BANK, WEST DES MOINES	103,247	103,247
122.PIONEER DEVELOPMENT CO., SERGEANT BLUFF PIONEER BANK, SERGEANT BLUFF	144,773	143,856	155.J. CARL H. BANCORP., EARLING FARMERS TRUST & SAVINGS BANK, EARLING	102,554	93,871
123.LIBERTY BANCORP., DURANT LIBERTY TRUST & SAVINGS BANK, DURANT	143,449	142,565	156.ST. ANSGAR BANCORP., SAINT ANSGAR ST. ANSGAR STATE BANK, SAINT ANSGAR	101,600	100,518
124.DANVILLE BANCSHARES, INC., DANVILLE DANVILLE STATE SAVINGS BANK, NEW LONDON	142,205	142,170	157.TAMA COUNTY ABSTRACT CO., TOLEDO STATE BANK OF TOLEDO	100,599	99,623
125.FTS FINANCIAL, INC., WILLIAMSBURG FARMERS TRUST AND SAVINGS BANK, WILLIAMSBURG	140,890	140,858	158.BEAMAN BANCSHARES, INC., MARSHALLTOWN FARMERS SAVINGS BANK, MARSHALLTOWN	99,994	100,189
126.A. M. SAYLOR, INC., HAMPTON FIRST BANK HAMPTON	139,746	139,421	159.OLD O'BRIEN BANC SHARES, INC., SUTHERLAND SECURITY STATE BANK, SUTHERLAND	99,921	99,895
127.WHEATLAND BANCORP., WHEATLAND FIRST TRUST AND SAVINGS BANK, WHEATLAND	136,630	136,433	160.DUNLAP IOWA HOLDING CO., DUNLAP COMMUNITY BANK, DUNLAP	97,887	97,093
128.JOHNSTON GROWTH CORP., JOHNSTON CHARTER BANK, JOHNSTON	136,112	136,228	161.KEYSTONE COMMUNITY BANCORP., KEYSTONE KEYSTONE SAVINGS BANK, KEYSTONE	97,313	87,520
129.FIRST STATE BANCSHARES, INC., IDA GROVE FIRST STATE BANK, IDA GROVE	136,023	136,022	162.NEWELL BANCSHARES, INC., NEWELL FIRST COMMUNITY BANK, NEWELL	95,861	95,861
130.IOWA STATE FIN'L SERVICES CORP., FAIRFIELD IOWA STATE BANK AND TRUST CO., FAIRFIELD LINN COUNTY STATE BANK, COGGON	135,816	102,996 33,182	163.C.S.B. HOLDING CORP., WYOMING CITIZENS STATE BANK, WYOMING	95,474	95,474
131.FIRST STATE ASSOCIATES, INC., HAWARDEN FARMERS STATE BANK, MARION, SD FIRST STATE BANK, HAWARDEN	131,353	80,584 49,805	164.BURT BANCSHARES, INC., BURT SECURITY STATE BANK, ALGONA	94,008	93,946
132.CHEBELLE CORP., BELLE PLAINE CHELSEA SAVINGS BANK, BELLE PLAINE	127,211	127,211	165.FOSTORIA BANCSHARES, INC., FOSTORIA FARMERS SAVINGS BANK, FOSTORIA	93,649	93,649
133.SWEA CITY BANCORP., INC., ESTHERVILLE BANK PLUS, ESTHERVILLE	125,980	125,683	166.F. S. BANCOR, INC., MITCHELLVILLE LEGACY BANK, ALTOONA	93,488	91,176
134.WEST BEND BANCORP., WEST BEND WEST IOWA BANK, WEST BEND	125,119	124,153	167.BEDFORD BANCORP, INC., BEDFORD STATE SAVINGS BANK, CRESTON	92,004	92,003
135.DUCLARKE, INC., KNOXVILLE IOWA STATE SAVINGS BANK, KNOXVILLE	124,209	123,697	168.SOLON FINANCIAL, INC. SOLON STATE BANK, SOLON	90,560	90,553
136.BARLOW BANKING CORP., IOWA FALLS IOWA FALLS STATE BANK, IOWA FALLS	124,095	124,184	169.PEOPLES TRI-COUNTY BANCORP., ALBIA PEOPLES STATE BANK, ALBIA	88,462	88,267
137.MEDIAPOLIS BANCORP., MEDIAPOLIS MEDIAPOLIS SAVINGS BANK, MEDIAPOLIS	124,062	124,039	170.BELLEVUE BANORPORATION, INC., BELLEVUE BELLEVUE STATE BANK, BELLEVUE	87,631	87,628
138.FNB BANSHARES, INC., WEST UNION BANK 1st., WEST UNION	122,046	121,833	171.HALBUR BANCSHARES, INC., WESTSIDE WESTSIDE STATE BANK, WESTSIDE	87,342	86,964
139.SOMERS BANCORP., SOMERS HEARTLAND BANK, SOMERS	119,964	119,964	172.CNB CORP, SHENANDOAH CENTURY BANK, SHENANDOAH	84,554	84,529
140.SECURITY FINANCIAL, INC., FARNHAMVILLE SECURITY SAVINGS BANK, GOWRIE	119,622	119,622	173.EVANS BANCSHARES, INC., EVANSDALE FIRST SECURITY STATE BANK, EVANSDALE	83,344	83,204
141.WHITTEMORE BANCSHARES, INC., WHITTEMORE FARMERS STATE BANK, ALGONA	117,176	108,218	174.HEARTWAY BANCORP., WAYLAND WAYLAND STATE BANK, MOUNT PLEASANT	82,852	82,852
142.KSB, LTD., KEOKUK KEOKUK SAVINGS BANK AND TRUST CO., KEOKUK	116,437	116,060	175.MORNING SUN BANK CORP., MORNING SUN IOWA STATE BANK, WAPELLO	81,997	81,550
143.FOUNTAIN VIEW BANCORP., INC., SIGOURNEY COUNTY BANK, SIGOURNEY	114,682	111,100	176.MECHANICSVILLE BANCSHARES, INC. BRIDGE COMMUNITY BANK, MOUNT VERNON	80,722	80,838
144.FSB BANCORP, WEVER FARMERS SAVINGS BANK, WEVER	114,514	114,532	177.UNITED IOWA BANCSHARES, INC., NEWTON FIRST NEWTON NATIONAL BANK, NEWTON	80,220	80,144
			178.MADISON HOLDING CO., WINTERSET UNION STATE BANK, WINTERSET	80,138	79,478

Source: Regulatory financial reports filed by bank holding companies and banks, data as of June 30, 2014. \*Dollar amounts in thousands

# IOWA BANK HOLDING COMPANIES

HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*	HOLDING COMPANY, LOCATION Subsidiary Bank, Location	CONSOLIDATED ASSETS*	SUBSIDIARY ASSETS*
179.PINNACLE BANCORP, INC., SIOUX CITY PINNACLE BANK SIOUX CITY	79,788	79,788	213.ALTON BANCORP., ALTON COMMUNITY BANK, ALTON	40,533	40,45
180.MANNING FINANCIAL SERVICES, INC., MANNING FIRST NATIONAL BANK OF MANNING	79,165	76,773	214.SWISHER BANKSHARES, INC., SWISHER SWISHER TRUST & SAVINGS BANK, SWISHER	40,174	45,880
181.MALVERN BANCSHARES, INC., MALVERN MALVERN TRUST & SAVINGS BANK, MALVERN	77,870	77,870	215.GARNAVILLO BANK CORP., GARNAVILLO GARNAVILLO SAVINGS BANK, GARNAVILLO	39,592	39,315
182.EVERLY BANCORP., EVERLY STATE BANK, SPENCER	77,383	69,813	216.ROG-LEE, INC., MANSON MANSON STATE BANK, MANSON	38,560	38,543
183.HAMPTON BANCO, INC., HAMPTON HAMPTON STATE BANK, HAMPTON	77,017	76,861	217.FSB OF VICTOR, INC., VICTOR FARMERS SAVINGS BANK, VICTOR	38,366	38,366
184.FMSB BANCORP, NEOLA FARMERS & MERCHANTS STATE BANK OF NEOLA	71,535	65,932	218.CHIEF IOWA INVESTMENT CORP., MONTEZUMA MONTEZUMA STATE BANK, MONTEZUMA	36,236	36,103
185.GREENFIELD BANCORP., LTD, GREENFIELD UNION STATE BANK, GREENFIELD	70,613	70,614	219.ARENDT'S, INC., MONTEZUMA PEOPLES SAVINGS BANK, MONTEZUMA	36,110	35,994
186.BLUE GRASS BANCORP, INC, CORNING OKEY-VERNON FIRST NATIONAL BANK, CORNING	70,560	69,659	220.DELHI BANCSHARES, INC., MARION HERITAGE BANK, MARION	36,038	35,740
187.STATE BANCO, LTD., SPIRIT LAKE STATE BANK, SPIRIT LAKE	70,210	70,153	221.CENTURY BANCSHARES, INC., SCHALLER STATE BANK OF SCHALLER	36,034	36,003
188.PRAIRIE VIEW BANKSHARES, INC., BRUNSVILLE IOWA PRAIRIE BANK, BRUNSVILLE	68,810	68,412	222.EXCHANGE FINANCIAL, INC., ADAIR EXCHANGE STATE BANK, ADAIR	35,924	35,862
189.MAXIMUM BANCSHARES, INC., WEST DES MOINES FIDELITY BANK, WEST DES MOINES	68,179	68,159	223.LOWDEN BANCSHARES, INC., LOWDEN AMERICAN TRUST & SAVINGS BANK, LOWDEN	35,664	35,650
190.LAURENS BANCORP, LTD., LAURENS LAURENS STATE BANK, LAURENS	66,446	66,446	224.BANKERS EQUITY CORP., PALO PALO SAVINGS BANK, PALO	33,289	33,178
191.BENZ HOLDING CO., MELVIN MELVIN SAVINGS BANK, MELVIN	65,669	65,669	225.JEMS, INC., LAKE VIEW FARMERS STATE BANK, LAKE VIEW	32,081	32,069
192.WEST IOWA BANC CORP, MARCUS FARMERS STATE BANK, MARCUS	65,368	64,668	226.LOGAN BANCORP, INC., LOGAN LOGAN STATE BANK, LOGAN	29,870	29,763
193.RAKE BANCORP., RAKE STATE SAVINGS BANK, RAKE	63,638	63,398	227.UNION BANCORP., DEFIANCE DEFIANCE STATE BANK, DEFIANCE	29,585	29,57
194.LOGAN INVESTMENT CORP., BONAPARTE STATE CENTRAL BANK, BONAPARTE	63,256	63,254	228.PEOPLES HOLDING CORP., WINFIELD PEOPLES STATE BANK, WINFIELD	29,315	29,253
195.R & J FINANCIAL CORP., INC., ELMA PEOPLES SAVINGS BANK, ELMA	60,568	60,471	229.HARTWICK BANCSHARES, INC., HARTWICK HARTWICK STATE BANK, HARTWICK	25,552	25,552
196.GILMAN INVESTMENT CO., OSKALOOSA CITIZENS SAVINGS BANK, MARSHALLTOWN	59,600	59,451	230.KELLONTO BANKSHARES CORP., ELGIN ELGIN STATE BANK, ELGIN	24,231	24,249
197.D & D BANCSHARES, INC., LA PORTE CITY CEDAR VALLEY BANK & TRUST, LA PORTE CITY	58,677	58,539	231.FARMERS AND TRADERS BANCORP., INC., DOUDS FARMERS AND TRADERS SAVINGS BANK, DOUDS	22,264	20,058
198.SAN BANCORP, SANBORN SANBORN SAVINGS BANK, SANBORN	56,180	55,647	232.DYSART BANCSHARES, INC., DYSART DYSART STATE BANK, DYSART	16,650	16,650
199.CJSB BANCORP., COLUMBUS JUNCTION COLUMBUS JUNCTION STATE BANK, COLUMBUS JUNCTION	55,606	55,606	233.SHIELDS AGENCY, INC., ROWLEY ROWLEY SAVINGS BANK, ROWLEY	16,635	16,631
200.SLOAN STATE CORP., SLOAN SLOAN STATE BANK, SLOAN	55,594	55,592			
201.KENNEDY BANCSHARES, INC., BANCROFT FARMERS & TRADERS SAVINGS BANK, BANCROFT	53,386	53,387			
202.CITIZENS HOLDING CO., SAC CITY CITIZENS BANK, SAC CITY	50,619	53,162			
203.ROYAL BANCSHARES, INC., ROYAL HOME STATE BANK, ROYAL	49,279	49,246			
204.VAN FINANCIAL CORP., BREDA BREDA SAVINGS BANK, BREDA	48,851	48,326			
205.YALE BANCORP., YALE FARMERS STATE BANK, YALE	46,652	46,630			
206.TWIN CEDARS BANCORP., BUSSEY STATE BANK OF BUSSEY	45,070	45,070			
207.WAPELLO BANKSHARES, INC., WAPELLO STATE BANK OF WAPELLO	44,687	41,261			
208.BLAIRSTOWN BANCORP, INC., BLAIRSTOWN BENTON COUNTY STATE BANK, BLAIRSTOWN	44,370	43,688			
209.MONONA BANCORP., ONAWA BLENCOE STATE BANK, ONAWA	44,198	44,140			
210.FT BANCSHARES, INC., AURELIA FIRST TRUST & SAVINGS BANK, MARCUS	44,063	43,659			
211.FIRST NATIONAL BANCORP, FARRAGUT FIRST HERITAGE BANK, SHENANDOAH	42,025	42,025			
212.LITTLE SIOUX BANCSHARES, INC., SIOUX RAPIDS FIRST STATE BANK, SIOUX RAPIDS	41,184	36,227			

Source: Regulatory financial reports filed by bank holding companies and banks, data as of June 30, 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.

## Seminars

**Members receive discounted registration fees 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 to bank owners, such as succession planning, tax issues, merger and acquisition preparation, legal/accounting issues and more.

## Networking

**Get access to other bank owners.**

One of the most valuable features of our twice-a-year 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 from across the Upper Midwest.

## Insight

**Appreciate our regional focus.**

With holding company members from Minnesota, Wisconsin, the Dakotas, Iowa, Illinois 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.

## Access

**Gain access to regulators.**

BHCA hosts as-needed events featuring representatives from the Federal Reserve, Federal Deposit Insurance Corp., Office of the Comptroller of the Currency, and state regulatory agencies. Forums permit anonymous questions, as well as opportunities for you to visit directly with regulators.

**Gain access to experts.**

The BHCA features a healthy associate membership sector, providing bank owners with access to attorneys, accountants, investment professionals, consultants and others who can address virtually any need a bank owner may have.



## Read what some long-time BHCA members have to say:

### 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.

### Bottom-line Impact...

"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.

### 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.

## Membership:

Annual dues to the Bank Holding Company Association range from \$400 to \$1,000 per year, depending on the size of your organization.

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

[www.theBHCA.org](http://www.theBHCA.org)

## *The Bank Holding Company Association presents these Webinars...*



### **Maximizing Recovery through Effective Work Outs**

**Date:** May 21, 2015

When a loan goes sour, bankers have to roll up their sleeves and figure out a way to minimize the loss. Shane Davis, president of Dedicated Commercial Recovery, Inc., will discuss policies and practices that banks can implement when times are good to minimize the impact of a loan that goes bad when times get tough. When a deal goes bad, there are many steps a bank can take before initiating legal remedies. Drawing from case studies and actual work-out examples, Davis will walk through the best practices for achieving resolution.

### **Is Your Asset Liability System Lying to You?**

**Date:** June 4, 2015

Phil Nussbaum, chairman of Performance Trust Capital Partners, will help you prepare to make the most of the interest rate environment, no matter what happens. What if interest rates stay low longer than anyone currently anticipates? Do you have a strategy for managing this possibility? In this webinar, we will look at appropriate models for navigating various interest rate scenarios. This presentation will expose many of the outdated or flawed assumptions in traditional asset/liability modeling. Nussbaum will discuss a variety of approaches designed to help maximize net interest margin.

### **Audit Committee Hot Buttons**

**Date:** October 22, 2015

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 cost just \$59 for BHCA members and \$99 for non-members. Each takes place on a Thursday, from 10 a.m. to 11 a.m.

**Register today at: [www.theBHCA.org](http://www.theBHCA.org)**