BHCA

Bank Owner

THEBHCA.ORG — WINTER 2025

BANK HOLDING COMPANY ASSOCIATION MAGAZINE



NEW SEASON

ONSET OF WINTER MEANS A NEW YEAR AND NEW OPPORTUNITIES

PLUS

2025 FALL SEMINAR COVERAGE

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The Bank Holding Company Association exists to provide education and business connections critical to the vitality of bank holding companies.

Founded in 1981, the BHCA 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 *Bank Owner* magazine is the quarterly publication of the BHCA. The magazine is your best source for BHCA information, including upcoming events. Members receive the magazine in the mail and have access to an online version at theBHCA.org. Managing Director Tom Bengtson serves as editor. Contact him at (952) 835-2248 ext. 101 or email us at Tom@thebhca.org.

ON THE COVER:
Frozen lakes mean new opportunities for recreation in Minneapolis

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WINTER 2025

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NEW TO BHCA

The BHCA is pleased to welcome:

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Boston

Nicholas Jesi, principal

Scott Baranowski, principal

Wolf is a CPA and professional services firm offering indispensable audit, tax and advisory services across the country. Our client-centric approach drives meaningful engagement with financial institutions across the spectrum – from traditional banks to forward-thinking organizations exploring stablecoin, AI and digital assets. Through active listening and deep industry insight, we develop tailored solutions that address each institution's unique challenges and opportunities. This diverse exposure enables our professionals to continuously refine their expertise and maintain their position as industry thought leaders.

An eventful year has gone quickly; best wishes to all as we approach 2026



BY LAURA MEYER DICK
First Kansas Bancshares
Hutchinson, Kan.

The holiday season that traditionally closes the year gets started around Thanksgiving, which is a good time to reflect on the many things for which we are grateful. I will remember this year for my service as your Bank Holding Company Association president; It was a good year, we got some things done, and we are setting ourselves up for a promising 2026.

Let me first thank everyone who attended our Fall Seminar in early October. Every presenter had an insightful message. Among our many presenters, I want to acknowledge in particular Brian Palmer, president of Olsen-Palmer, who interviewed two bankers, including Lee Stuart, the CEO of NBC Bancshares in Lincoln, Neb. It is my privilege to serve with Lee on the board of directors at NBC Bancshares. I also want to acknowledge Jenn Docherty of Performance Trust who led a session on board integration following a merger where she interviewed Brad Roden of NATCOM Bancshares of Superior, Wis. It was a great interview. Jenn and I met last January when I invited her to participate in the Fall Seminar. I was familiar with her work and was excited for her to share her insight with the BHCA membership.

The seminar, of course, featured many other excellent speakers and I am grateful to all of them for their willingness to share their expertise in a way that is meaningful to the BHCA membership. Our seminars often feature familiar presenters; we are fortunate to have so many well respected industry experts within the BHCA membership who are willing to address our group year after year. Yet, we have several new presenters who are willing to address our group every year so that we are always able to offer something fresh. In addition to the presenters, I really appreciate my colleagues across the industry who attend these meetings, making for the best networking anywhere.

I know the BHCA staff already is working to plan the 2026 events, and I expect they will build on the momentum that we generated in 2025.

Let me also express my gratitude to the rest of the BHCA board of directors who served with me through 2025. I am so glad we expanded the board to 12 members, adding two representatives from our associate member ranks. We expanded the board starting in January, and I think the change has already proven valuable, with many great observations and insights offered by our two associate member directors: Scott Coleman of Ballard Spahr and Sean Raboin of HTG Architects.

You may have noticed the BHCA on social media in the last few months. We have made a concerted effort to raise our visibility so more bankers benefit from BHCA membership. My own holding company joined the BHCA after we learned about it through social media, so I know it is an effective means of communication.

We are posting regularly on LinkedIn in an effort to let people know that the association offers great programming and that we welcome new members. While many people know about the BHCA, I sometimes feel as if it is a well-kept secret! So we are running both video and single-image posts, often featuring real members or scenes from our seminars. Many of you regularly talk up the association at other industry events, and I thank you for that. We know attracting new members is essential to maintaining a healthy organization. Industry consolidation puts pressure on our membership numbers, but there remain thousands of bank holding companies that have yet to attend a BHCA event or become a member. Word of mouth promotion by our members, and social media messaging are our two most powerful means of

President's Observations, *Continued on page 7*

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Despite decades of change, banks remain special



BY TOM BENGTSON
BHCA Managing Director

You might remember E. Gerald Corrigan who passed away three years ago. He is most remembered for serving as president of the Federal Reserve Bank of New York from 1985 to 1993. Prior to that, however, he served as president of the Federal Reserve Bank of Minneapolis, and he wrote one of his most important works in 1982 — an essay called "Are Banks Special?" At the request of Gary Stern — Corrigan's successor as Minneapolis Fed Bank president — Corrigan wrote a follow-up essay in the year 2000, affirming his conclusion that, in fact, banks are special.

Banking has changed a lot since the early 1980s, but I think the role of the bank remains worth considering. Furthermore, I think Corrigan's conclusion that banks are special remains true. Banking is under a lot of stress from technological developments. Stablecoin, somewhat legitimized by the Genius Act, has the potential to substantially disrupt the banking system as we know it. Instant payments, the diminished role of cash in an increasingly digital economy, political pressures which affect the allocation of credit, not to mention economic forces which affect the demand for loans, all figure into a careful consideration of the role of banks. It would take much more than a column from me to address all of this in a meaningful way.

I think what Corrigan saw when he asked the question in the early 1980s is that a small number of banks were getting really big and it was changing the banking system. The ag and oil busts after the interest rate gyrations of the early 1980s resulted in accelerated levels of industry consolidation. As interstate banking and branching laws evolved, banks were able to consolidate charters and the most aggressive players grew substantially. Furthermore, the stock market seemed to reward the concentration of banking assets among a small number of large players.

So as we came out of the 1980s, we had many smaller banks, and a few really large banks. Furthermore, the larger banks figured out how to deploy assets into business lines beyond traditional credit. When Gramm-Leach-Bliley came along in 1999, the largest banks gained even more ways to diversify their business interests away from traditional deposit gathering and lending. The regulatory landscape morphed with the industry, which resulted in a growing regulatory burden for community banks which had stuck to their knitting. Too-big-to-fail, a term first applied to banking upon the collapse of Continental Bank in 1984, became a prevailing characteristic of banking. Regulators and lawmakers vacillated whenever a bank failed as to whether the lawful deposit account cap for insurance should be observed. By 2008, when it looked like the entire U.S. economy might implode, policymakers accepted TBTF as political reality; the Dodd-Frank Act — the political response to the crisis — codified the idea of systemically important banks for the largest institutions.

Some 15 years later, there is quite a bit of talk about the need to take measures designed to support community banks, the ones that would never qualify as systemically important under Dodd-Frank. If banks, indeed, are special, public policy makers surely should take steps to assure their survival. We are seeing that in calls for tiered regulation, which we hear regularly from Treasury Secretary Scott Bessent and Fed Vice Chair for Supervision Miki Bowman, and there is notable support for increasing the levels of deposit insurance.

Whether we need higher levels of deposit insurance is debatable, but the fact that so many people are advocating for smaller banks conducting traditional banking affirms today the answer that Corrigan offered 43 years ago. Banks are special, and not just the biggest banks, but all the banks and the entire banking ecosystem that drives our economy.

Corrigan described banks as institutions that offer transaction deposit accounts payable on demand at par; institutions that serve as the primary and ultimate source of liquidity for all enterprises, and he said that banks are the means by which monetary policy is executed. Corrigan noted no other kind of company enjoys the protection of a public safety net made up of deposit insurance and access to the Fed's discount window. Banks are regulated because they have this safety net, and only banks get direct access to the Fed's payment rails.

Even though the banking industry is clearly divided between the TBTF banks and everyone else, I believe all banks are special, including those in the "everyone else" category. While pundits often refer to the "American" economy, the truth is there are many, many economies, each serving specific communities, geographies, MSAs, counties or regions. It is mostly smaller banks that are profoundly important to each of those localities. It is great that we have a few banks that can serve customers from coast to coast, but the ones who support small businesses, local enterprises, Main Street shops, are the ones that know those small business owners, local enterprise proprietors, and Main Street shop managers personally. That takes a local bank.

As the number of bank charters declines, it can become easy to speculate that the traditional banking system is going away,

Down to Business, *Continued on page 10*

Community bank seller, buyer share insights on process

By Jackie Hilgert

Brian Palmer, an investment banker and co-founder of Olsen Palmer, brought two community bankers to the BHCA Fall Seminar stage to reflect on recent deals. Lee Stuart, CEO of NBC Bancshares of Lincoln, Neb., shared a few hurdles that emerged on the path toward completing the 2024 sale of one of two subsidiary banks, the $200 million Mountain View Bank of Commerce, to Kansas City-based Academy Bank. And Chad Forkrud, president of the $1.5 billion Citizens Alliance Bank, based in Clara City, Minn., which has closed acquisitions in Montana in recent years, offered lessons on how his bank has benefited from growth through acquisition.

Stuart was part of an investor group formed 15 years ago to buy Midwestern banks, he said. He was one of only a few shareholders who were active bankers. The decision to sell Colorado-based Mountain View Bank of Commerce, Stuart said, came because some outside investors wanted liquidity. That, paired with where the market was given the bank's size, led to a decision to sell that bank, yet retain its other holding, National Bank of Commerce in Lincoln. "One of the promises I made to all my shareholders was, we wouldn't stick around just so I can have a job," Stuart said.

Because the bank had shareholders interested in liquidity, it was important to find a cash buyer, Stuart said. He also wanted a buyer who wouldn't displace the team.

"One of the things that most people don't understand is that a bank deal doesn't close for about six months, and holding it all together is not fun," Stuart said. Confidentiality is one of a seller's toughest challenges, he added. "We kept the cone of silence very tight," with confidentiality agreements and NDAs, he said, adding that "knowledge is a burden."

From the selling side, it is important to retain key employees, Stuart said. "It's important to know who the acquirer is going to want in there," he said. "You need to be upfront about it, pay them, and make sure they understand what they're being paid for. They need to stick around.

"There's a moment in the conversation where your key people are going to have a heck of a lot of leverage," Stuart said, implying that resistance from a senior lending officer, for instance, could sink a deal.

Stuart also said communication was critical in the bank that was not being sold. The people left behind want to know what's changed, what hasn't, and what their pay and benefits are going forward.

Forkrud said Citizens Alliance Bank's buys in Montana have opened the bank to a wider talent pool and new lending markets. The bank, based in a rural western Minnesota town of 1,300 people, operates 17 branches, seven of them in Montana. Its initial foray in the Big Sky state came after a correspondent lender approached the ownership group, composed of the Forstrum family, and offered up a small, clean, well-run bank in picturesque Seeley Lake. The owners, who liked to hunt, Forkrud said, took a chance.



Brian Palmer (center), president of investment banking firm Olsen-Palmer, leads a discussion with Chad Forkrud (left), president of Citizens Alliance Bank, Clara City, Minn., and Lee Stuart, CEO of NBC Bancshares, Lincoln, Neb.

More Montana buys followed. "We've had a lot of growth out there," Forkrud said. "It's provided a lot of diversification," he added, which was something regulators had been telling the heavily-ag bank it needed.

The seven of its 17 branches in Montana amount to roughly 40 percent of Citizens Alliance Bank's assets, Forkrud said. "It's opened the road to attracting the talent you need in today's market with compliance and regulation and technology." The acquisitions have also diversified the bank's loan class.

In a consolidating market, opportunities to buy present themselves frequently, Forkrud said. His bank has figured out how to measure potential deals quickly, in as few as 15 minutes, he said. "We look at geographical regions; does it relate to us? What do we know about? Most of it is publicly available that anyone can see."

One of the highest weights given to an opportunity by the CAB leadership team is culture. Forkrud called culture misalignment a tough headwind. "They have to go through a massive amount of change," he said. "If you can't assimilate and start rolling in the same direction, it's a tough drive to get the value."

In terms of determining a price when assessing a deal, Forkrud said efficiencies "have never come from operating with less staff than they have." Discounting attrition due to retirements, Forkrud said plugging the people who come with an acquisition into their bank, in a department role, is the ultimate goal. His bank doesn't like to pigeonhole individuals, he said. "I think you can be very truthful with each other and just level – if you give us a little time, we'll figure out the right spot. That can be a challenge for people who wear a lot of hats."

On the challenge of integrating customers to a new bank, Forkrud said, it's "a bad process" that he wants customers to have a good experience navigating. "Give yourself the best chance to have some happy customers," he added. Achieving that means handling those core conversions proactively. ■

Improved conditions means pace of deals is accelerating

By Sam Wilmes

The foundations of community banking are solid and the environment is ripe for 2025 M&A activity to increase by three or four times over the meager number of deals seen in 2024. That was the assessment of Nathan Stovall, director of Financial Institutions Group Research for S&P Global; Stovall opened the Bank Holding Company Association's Fall Seminar conducted Oct. 6-7 at the Westin Galleria Hotel in Edina, Minn.

For bankers thinking about franchise value and what had been regulatory roadblocks to consummating deals, there is good news. Cost of funds, which has been decreasing and should continue to do so, will play an outsized role in valuations, he said. "We continue to benefit from pretty steady growth and, importantly, the remixing of our balance sheets," Stovall said.

The margin bump provided by the recent drop in the Fed Funds rate supports the trend, Stovall added. "At the same time, credit remains really good."

All this adds up to a fertile environment in what remains, for now, a generally stable economy with only a handful of concerns.

"Consumer balance sheets are in great shape," Stovall said. That characterization comes from looking at consumer debt and consumer savings rates. Consumer debt is holding at historical averages, Stovall said. Seventy percent of consumer debt is in mortgages, and most of that is in fixed-rate mortgages, he said. Couple that with strong employment in recent years, and consumers have mostly ridden out the era of higher interest rates on solid footing. Consumers are saving money, perhaps not as much as they saved when stimulus funding was flowing in the covid era, but they are still saving.

Stimulus funds were supposed to evaporate in 2022, then experts said it would be 2023, and then 2024. "It was designed as a bridge and the bridge was way longer than anybody thought," Stovall said.

Back to the current prospects for bank M&A, which had been dismal the past three years with rising interest rates putting some bank balance sheets underwater during what many deemed a hostile regulatory environment. As of the third quarter of 2025, not only are the number of deals up, so are the values of those deals.



"We still think deposits are the true value of a franchise," commented Nathan Stovall, director of FIG Research for S&P Global. He said banking industry conditions are improving, which should facilitate more M&A transactions.

The BHCA Fall Seminar opened the same day Fifth Third Bank announced it is purchasing Comerica. "I think we're going to see more bigger deals, and that can impact us in a lot of ways," Stovall said. The fallout for smaller community banks might mean competition disappears from some markets, or opportunities to gain new customers or new employees — or new deposits — suddenly open up.

"We still think deposits are the true value of a franchise," Stovall said. Banks with lower costs of funds are being rewarded in their valuations, sometimes by a lot. "Material declines in deposit costs should come in the next one to two quarters," Stovall said, as CD rates reprice.

And the regulatory environment has definitely shifted, even if you aren't seeing a change during the exam phase. "This administration has been very supportive of transactions," Stovall said, recounting a conversation he had with Travis Hill, acting chair of the FDIC. Paraphrasing, Stovall said Hill told him: "If you don't hear from us in two months, we think the deal should just be approved." ■

President's Observations, *Continued from page 4*

getting the word out.

The year has gone very quickly, but my sense is we have used our time well, and our efforts to strengthen our own holding companies as well as the BHCA are paying off. The BHCA board expects to undertake meaningful strategic planning in the coming year. We feel like we have a good thing going and want to make BHCA membership as widely available as possible. We will be looking in particular at ways to bring more organizations and individuals into our membership. We also expect to add events in new markets to give people a taste of our very successful Spring and Fall seminars.

Kelly Rachel of Jamestown, N.D. is slated to become the BHCA president for 2026, and I wish him every success in taking the BHCA to the next level in the coming year. Started in 1981, we have some 44 years of history to build on. I sincerely appreciate the support of all our membership and look forward to seeing everyone at more BHCA events in the coming year. ■

Scenes from the Fall Seminar









1. Tony Moch (left), Winthrop & Weinstine, hosts a panel featuring Brad Roden (middle) and Steve Burgess of NATCOM Bancshares, Superior, Wis. 2. Beau Hurtig, Ballard Spahr, provides insight. 3. Melissa Lanska, Reinhart Boerner Van Deuren, makes a point. 4. More than 200 people attended the BHCA Fall Seminar. 5. Scott Coleman, Ballard Spahr, offers additional insight. 6. Gary Svec, Performance Trust, urges active capital management. 7. This Ownership Succession Planning panel features, from left, Doug Hiatt, Fredrikson; John Houlton, First National Financial Services, Elk River, Minn., and Caitlin Houlton Kuntz, Fredrikson. 8. Broadcaster Lea B. Olsen shares winning ideas. 9. David Stieber (left) and Craig Mueller, TruStar Advisors, talk options for raising capital. 10. Michael Holdren, Eide Bailly, dives into strategic planning around M&A. 11. Jenn Docherty, Performance Trust, enjoys connecting at the reception. 12. Steve Burgess, NATCOM Bancshares, shares his perspective on a recent transaction.







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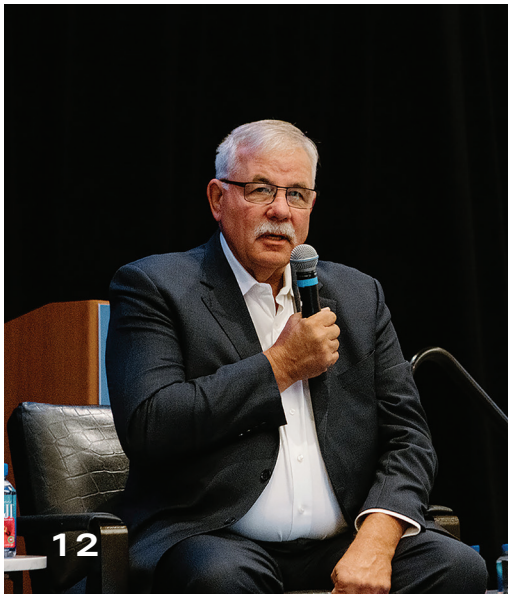
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McWilliams: Reg environment favorable for bank M&A

By Sam Wilmes

The regulatory environment is conducive to bank mergers and acquisitions, said former FDIC Chair Jelena McWilliams.

McWilliams delivered her views on the banking regulatory environment and M&A during the BHCA Fall Seminar.

McWilliams said the M&A market — especially for larger banks — is much stronger and less likely to be influenced by political considerations than under the Biden administration, an improvement she attributed to regulatory heads under the Trump administration being more open to mergers.

"We anticipate more mergers will be coming in the next few weeks and months, mostly because pent-up demand and the regulatory inability or unwillingness to get the mergers approved over the past few years has created a backup for the banks that want to be sold," McWilliams added.

McWilliams, managing partner of the Washington, D.C. office of the law firm Cravath Swaine & Moore, LLP, immigrated to the United States from Yugoslavia as an 18-year-old in 1991. McWilliams, who was appointed FDIC chair in 2018 during the first term of President Donald Trump's administration, served until 2022. She resigned after alleging that Democratic Party board members were trying to take control of the agency.

McWilliams briefly discussed the cultural challenges she faced while leading the FDIC, which she traced to agency employees with decades of experience. McWilliams sees the Trump administration's government-wide initiative to offer buyouts and retirement packages as helping to change the FDIC's culture, which has suffered from negative attention during the recent past.

Today, McWilliams advises private and public companies, banks, fintechs and venture capital firms on regulatory and corporate matters as well as M&A, IPOs and other capital market transactions.

McWilliams' speech came shortly after President Donald Trump nominated FDIC Chair Travis Hill to permanent status. Hill was senior advisor to McWilliams during Trump's first term. "I would call this the golden opportunity of being able to right-size the state supervision and examination process," McWilliams said. In October, the OCC proposed a rule to limit the use of reputation risk in supervision to take action or criticize banks.



Jelena McWilliams said the Administration's reduction in force across the regulatory agencies, including the FDIC, should help to improve the culture at the agency she headed from 2018-2022.

McWilliams predicted a reemergence of Industrial Loan Company charters. She spoke favorably of such charters, noting they face the same deposit insurance statutory application rules as banks. ILCs face higher capital requirements than banks, she added, some at 12 to 15 percent while others face even higher standards. In June, Nissan applied for an ILC charter, joining Ford, General Motors and Stellantis with pending applications. In July, the FDIC withdrew a proposed rule from the previous year that had been perceived as a barrier for new ILC applications.

McWilliams said she did not see the need to raise the deposit insurance maximum from $250,000 during her time as chair. She doubted whether banks would want to pay more to fund an increase. Some in the audience signaled agreement by nodding their heads when McWilliams said no banker told her they wanted to pay more for deposit insurance.

McWilliams did not support changes to the Community Reinvestment Act passed in 2023. CRA modernization, which was intended to adapt to the growth of non-branches, has been delayed, with banking regulators have proposed rescinding it and reverting to the 1995 framework. ■

Down to Business, *Continued from page 5*

that the only survivors are going to be the mega banks. But the mega banks really can't serve the smaller businesses, and yet those smaller businesses provide most of the jobs. Smaller banks provide most of the credit to those smaller shops. The big guys have other priorities.

It is good that we have a diverse banking system. It is good that not all banks look alike. And I think Corrigan agreed, and that is why he called banks "special." And that is why I think so many people today are advocating for policies and developments that will help to preserve the community portion of the banking industry spectrum.

Let me conclude by wishing everyone special blessings at this time of year, and great success in the coming year. It is a wonderful time to be involved with the banking industry, and I am honored that we get to be part of it through the Bank Holding Company Association. ■

Branches are a key influencer of franchise value

By Jackie Hilgert

In his session on understanding bank deals beyond the numbers, Sean Raboin, president and CEO of HTG Architects, encouraged bankers to engage site expertise earlier in the M&A process. Assessing branch locations, for instance, might help an acquiring bank know whether a location is an asset or a liability. As an example, Raboin pointed to one client for whom his company recommended four of five newly acquired branches be relocated to improve visibility and traffic.

When picking up a single branch, Raboin reminded bankers that banks don't often sell off high-performing branches. They sell "stinkers," he said.

When HTG does a site assessment, it looks at the following criteria: household density, access or egress, demographics or psychographics, competition, traffic patterns, proximity to retail, branch type, potential signage, and the future of the site.

"Sometimes you acquire to get to a better location, while also reducing competition," Raboin said, acknowledging that jumping into new communities for revenue and deposit growth are also drivers of deals. But, rarely are branches "plug-and-play," he said. "You're not just purchasing the building; you're purchasing the community, the demographics, the infrastructure, the road systems." An assessment of all of these components is equally important when conducting pre-deal due diligence, he said. ■



Sean Raboin, president and CEO of Hopkins, Minn.-based HTG Architects, encourages bankers to get branch site assessments performed early in the acquisition process.

Backups help protect banks from cybersecurity breaches

By Jackie Hilgert

While banks are less vulnerable to ransomware than other industries, they continue to feel the effects of vulnerabilities facing other industries, especially when a compromise outside of banking leads to a fraudulent wire transfer. That was the assessment given by a trio of experts: Kris St. Martin and Tiffany Garcia of CBIZ, and Kevin Yoegel of the Mullen Coughlin law firm. The three shared observations and intelligence during a breakout session at the BHCA Fall Seminar.

Most bank IT departments have a handle on cybersecurity best practices, which include: closing unused remote desktop protocol ports; using multifactor authentication, running endpoint detection and response tools; segregating backup data from the main network, and having a documented incidence response plan. In fact, banks conduct backups so frequently that they're more inclined to turn to their backup data than pay a ransom to unlock the most current data when a compromise occurs, St. Martin said.

More worrying, perhaps, are the number of class action lawsuits related to data breaches that have arisen lately, one class with as few as 24 individuals.

Also of concern is when a compromise leads to litigation. It is important, the presenters said, to document how and when staff is trained, to train directors on cyber oversight, and document how and when directors are trained as well. Board liability may be called into question in the event of a breach, therefore it's critical to be able to prove that all directors have been given the tools and knowledge needed to provide proper cybersecurity oversight. ■



During a cybersecurity-focused breakout, Kris St. Martin (left), CBIZ, Kevin Yoegel (center), Mullen Coughlin, and Tiffany Garcia, CBIZ, encouraged bankers to protect directors from liability in advance of a potential data breach.

McKinzie Hopkins in learning mode to meet future challenges

By Jackie Hilgert

McKinzie Hopkins was on the job at CorTrust Bank less than one year when she walked into her first Bank Holding Company Association seminar. As luck would have it, Hopkins took a seat next to Harry Wahlquist, the founder of Midwest Bancorporation Inc., and its subsidiary Star Bank. "He was so welcoming," Hopkins said of Wahlquist, who served on the association's board until his death in 2024. With Wahlquist as her personal ambassador, Hopkins made lots of connections that spring, and felt less like "a fish on dry land," which is how she describes her earliest months in community banking.

Hopkins joined CorTrust Bank, the subsidiary of Sioux Falls, S.D.-based Hopkins Financial Corp., which has been in her family for three generations, in late 2018. She had just completed six years at Deloitte focused on tax consulting. "I was comfortable in my career," Hopkins said of her pre-banking days. "I liked what I was doing."

Hopkins, executive vice president of credit administration for CorTrust Bank's Minnesota market, wasn't 100 percent sure about joining the family bank. But destiny had its eyes on her. And so did her father, CorTrust President and CEO Jack Hopkins.

As is the case at many multi-generational community banks, rising generations are encouraged to seek professional experiences at firms unrelated to the family business. For the Hopkins family, a minimum tenure of four years working elsewhere is required before applying for a position inside of CorTrust.

Hopkins had earned an accounting degree and a law degree and was thriving at Deloitte in 2018 when her father asked her to come to the bank. "I honestly felt like it was out of left field," she said. "I didn't know that it was even on the table."

The methodical Jack Hopkins, leader of what is now a $1.5 billion bank, had just completed an acquisition in Minnesota and had a larger deal in play just under the surface.

Her father, McKinzie Hopkins said, "has a plan in his head, but he doesn't always share it until that plan is applicable." This assessment of her father is rooted in love, she clarified. His plan for his only daughter was eventually made clear to her: Return to the bank and get really, really, really good at assessing credit.

That larger deal was CorTrust's acquisition of First Minnesota Bank, which increased CorTrust's presence in Minnesota to 15 branches from four.

From a credit perspective, Hopkins says a company's financials tell a story. Her years at Deloitte taught her how to analyze customers and credit, which "was a great stepping stone for me to be able to learn the rest of everything else about the bank," she said.



Hopkins

Learning, and advancing the industry, are two benefits she derives from her involvement with the BHCA, Hopkins said. "One of the things I love about the BHCA is that it brings people from all over, not just the state but from the region," she said. "And the vendors who support the different events. So for me it's about expanding my network and getting to know more people and being more involved from that perspective."

Joining the BHCA board only accelerates her access to knowledge. "I like to get involved in various organizations that support community banks. I think that's really important for the longevity of our industry. I always enjoyed attending the events BHCA has put on." Board service, she figured, would help her expand her network and provide deeper insights into the industry as a whole as she advanced in her career.

Hopkins is completing the second year of a three-year term on the board. Serving, she said, is less about deriving value for herself than about giving to others. "I like to brainstorm with the rest of the board to figure out what are the current trends that we need to bring to these seminars. Who are the speakers people are looking for? How can we make sure they are getting this knowledge on the front end from people who have the knowledge?" she said. "That's how I see my contribution, helping figure out what we can get to bankers that's going to help them in their day-to-day lives."

In the early years at CorTrust, Hopkins' day-to-day involved much of the heavy lifting that accompanies an acquisition, especially on the scale of the First Minnesota deal. First there was a core conversion and that all important cultural alignment. With the onset of covid and then the introduction of the Paycheck Protection Program, which she managed for the entire bank, Hopkins rose to each challenge, saying she continually taps into lessons honed at Deloitte to help her manage and be a mentor, one of her favorite aspects of her job.

"Being able to teach other people your knowledge also solidifies that knowledge for you," Hopkins said. Her interest in advancing her own and others' knowledge gels with her involvement in the BHCA board. "The nice thing about having a board is that some of us are more focused in some areas than



The Hopkins family has been an integral part of CorTrust Bank, based in Sioux Falls, S.D., for four generations. Family members gather at the 2025 ICBA LIVE convention, where Jack Hopkins was elected the association chair. From left are Boyd D. Hopkins, bank chair and wife, Dody. Macenzie Hopkins (sister-in-law), Jerrod Hopkins (Brother), Gina Hopkins (Mother – VP of Facilities), Hughes Hopkins (nephew), Jack Hopkins (Father – President & CEO), McKinzie Hopkins, Spencer Hopkins (Brother), Maria Hoppkins (Aunt), Todd Hopkins (Uncle – President of CorTrust Mortgage). Missing from this photo are new nieces, Sylvan and Sloan Hopkins, born in August.

others. It brings a wide diversity of ideas," she said.

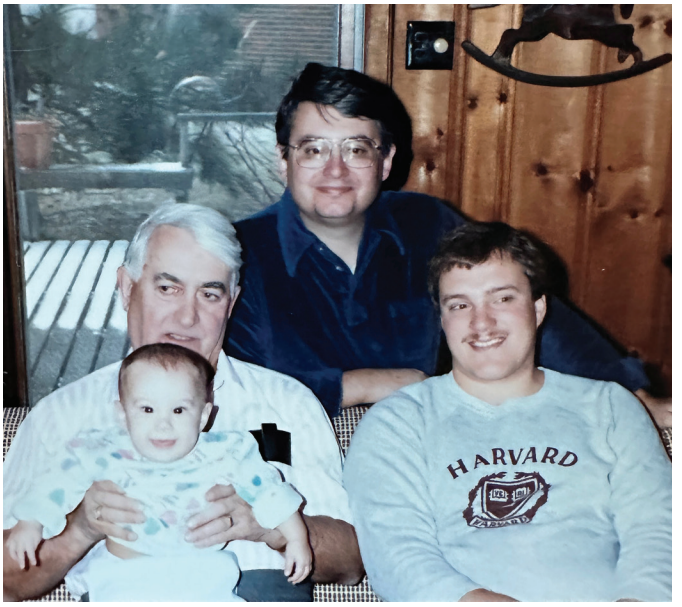
Hopkins credits her involvement in ICBA as helping her keep abreast of developments in Washington. But the BHCA's local-to-regional focus is valuable as well, she said. "I think the board is a good diverse group of people who come with their strengths that help inform what other people should be learning about," whether that's M&A or other issues.

"Some people have equated the Fall Seminar with the larger Acquire or Be Acquired event," Hopkins said. "I have heard from people locally that this is actually better for them because it focuses on just the Midwest, for the most part. It's not that we don't have members from other areas. But it really focuses on things that are happening in your market, which I think is really good.

"Generally, I think it's really important for bank owners and officers and directors to get out there a couple of times of year... if they aren't working on the business on a day-to-day basis, they really need to get out and hear what's happening in the industry and learn what they should focus on in the next year. The BHCA does a very good job of doing that; it provides a really good value to the members."

With CorTrust now operating 37 branches plus one loan production office, in two states, Hopkins has plenty of opportunity to expand her knowledge and hone her mentoring skills. "I do like fostering relationships with people and building that side of things," Hopkins said. "But I am a numbers nerd. I like supporting people internally. I'm not a natural born salesperson.

"I will excel in the management of people and the underlying numbers and how to run a bank day to day," Hopkins concluded. "I know myself well enough to know that it's this side of the business where I belong."



Four generations of Hopkins. Infant McKinzie Hopkins is being held by her great-grandfather Boyd B. Hopkins. Behind him is her grandfather Boyd D. Hopkins. Jack Hopkins is to the right.

Last summer, Hopkins graduated with honors from the Graduate School of Banking at the University of Colorado-Boulder.

In addition to serving on the BHCA board, Hopkins serves on the leadership committee for ICBA, as chair of the services committee for BankIn Minnesota, which means she also has a seat on that association's board. At the bank, she serves on the IT, retirement, credit card, trust and compliance committees. "I definitely keep myself busy," said the 38-year-old Hopkins who is expecting a child in January. ■

Nontraditional buyers emerge as players in bank M&A arena

By Sam Wilmes

The M&A market for banks to sell to non-traditional financial institutions is heating up due to pent-up demand and eased regulations under the Trump administration, said Barack Ferrazzano Partner Joseph Ceithaml Oct. 7 at the BHCA Fall Seminar.

Fifty-two bank deals were announced in the third quarter of this year, the most in four quarters. "We are in a consolidating industry," Ceithaml said. Deals are rising amid strong profitability, Ceithaml said. Credit quality is strong, with normalizing credit conditions leading to higher public stock prices, which translates to higher premiums.

Regulators under the administration of President Joe Biden were skeptical of cryptocurrencies and nonbank buyers. They took the former president's direction to more closely scrutinize M&A deals as a directive to not approve deals, Ceithaml said. Regulators under the Trump administration have taken a more open view of digital currencies. In March, the Trump administration announced banks would no longer need to secure FDIC approval for certain crypto-related activities.

Nonbank buyers can offer cash and are able to pay a higher premium than traditional acquirers, Ceithaml said. They are sometimes willing to acquire a small charter to access deposit funding. Investor groups can maximize the sales price because they are often willing to pay a higher premium to acquire a charter, Ceithaml added.



Joseph Ceithaml of the Barack Ferrazzano law firm said non-traditional buyers might pay a premium to acquire a bank charter.

Several nonbanks have acquired community banks in recent years. In March, online lending platform SmartBiz acquired Chicago-based community financial institution Centrust Bank. Late last year, Houston-based nonbank LevelField Financial acquired Chicago-based Burling Bank.

Often, acquisitions of banks by nonbanks mean purchase-and-assumption transactions, which can be inefficient compared to traditional stock agreements. And, more credit unions are acquiring banks, although in some states (Minnesota and Iowa) such deals face legal challenges. ■



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