WISCONSIN COMMUNITY BANKING *News*

CBW Community Bankers of Wisconsin

Volume 13, No. 2
March/April 2010


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Wisconsin Community Banking *News*

Published by Community Bankers of Wisconsin
through Client Communications

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Proud to Be a Community Banker

Russ Kuehn, CBW Chairman and Chairman of the Board, First National Bank of Berlin

These days, every month that goes by brings more reasons for community bankers to be proud of our banks and their proven benefits to our communities. This issue of your association's magazine showcases one successful member bank in Dodge County. It also presents expert advice on the S.A.F.E. Act and the current regulatory scene, and relays important messages from the recent ICBA National Convention and Techworld (see Daryll Lund's column on p. 5).

I also had the pleasure of attending the ICBA conference. What a great experience, both personally and professionally! The highlight for me was when Cam Fine, CEO of ICBA, addressed us and ended his presentation by saying, "We as community bankers have to be proud of our profession, proud of who we are and what we are to our customers, communities, and to this great nation." In Wisconsin, we need to be proud of our membership in the CBW and proud to spread the word of excellence in community banking and our role in the healing process. We are Main Street, not Wall Street. Please spread the good word.

This issue also provides another useful listing from the most recent FDIC banking reports ("Banconomics," pp. 11–14) and catalogs the large number of associate members who aim to serve Wisconsin community banks with products and services tailored to our needs (pp. 16–18).

There is growing evidence these days of the value of our membership in Community Bankers of Wisconsin — for its strong advocacy role, its educational offerings (see p. 21 for a few of these), and its opportunities to network and learn from one another. CBW's member surveys and online opportunities, as well as our upcoming Member Appreciation Days (p. 21), all offer opportunities unavailable elsewhere that are expressly focused on community banking.

Our grandparents' generation successfully led many Wisconsin community banks through the years of the Great Depression. During those years of upheaval, they even started a number of new financial institutions that are still prospering today.

Now, it is our turn to guide our community banks back to prosperity and stability. We can best do so by reaching out and using the resources of the Community Bankers of Wisconsin.

On our cover... The Hustisford State Bank building at the corner of Lake and Griffith streets combines turn-of-the-century elegance with modern technology. The building is the third one that the bank has inhabited since it was founded in 1902.

Survive Now to Thrive Later

Mary Lou Santovec

Late in the afternoon on Friday, Oct. 23, 2009, regulators from the Wisconsin Department of Financial Institutions' Division of Banking entered the Bank of Elmwood in Racine. After taking possession of the bank and appointing the Federal Deposit Insurance Corporation as receiver, the FDIC sold Elmwood's deposits ($273.2 million as of Sept. 30) to Tri City National Bank. The Oak Creek-based bank also agreed to purchase Elmwood's $327.4 million in assets.

While the bank's fate was tied to failed loan participations and soured real estate deals in Arizona, it was no anomaly. Elmwood was the 104th out of 140 federally insured banks that failed last year and the only Wisconsin bank to do so.

"I'd be very surprised if we don't see a pick up in the number of banks closed. I don't think you'll see a state that's not touched by closures."

Given the recent economy, regulators have stepped up oversight of all financial institutions. The different types of regulatory enforcement actions, as well as their severity and number have all increased, according to Bill McDonald, managing director, financial institutions group at RSM McGladrey. In the past year or two, bankers have seen more variety in the type of actions. For example, cease and desist letters, written agreements, corrective action and civil money penalties, and institution affiliated party have all been enacted.

The actions aren't the work of a sole regulator. All of the regulatory agencies have stepped up their oversight. In 2008, the FDIC issued 190 enforcement actions that cost banks across the country a total of $898,712 in penalties. There were 105 issued by the Office of the Comptroller of the Currency at a cost of $10,606,225. The Federal Reserve Board had 46 costing $10,950, and the Office of Thrift Supervision had the fewest actions (43) but substantial penalties of $913,525.

In 2009, those numbers saw a significant uptick. Regulators issued 1,143 formal and 1,099 informal enforcement actions last year with the FDIC leading the way with 551 formal actions, the OCC with 215, and the Federal Reserve Board with 191. The OTS had 245.

Besides the restrictions that come with the enforcement actions, there are also financial penalties. The hard costs include increases to directors and officers insurance and FDIC premiums. But, McDonald said, "the real cost is getting back into compliance."

Many of the problems originated in Florida, Georgia, Nevada, California, and Arizona and were directly related to the bottoming out of the residential real estate market. California, Georgia, and Illinois also had the highest number of commercial bank failures in 2009. Problems have since spread to community banks across the country with exposure to loan participations in failed commercial real estate deals, especially with condo and entertainment properties. Wisconsin's community banks are also seeing problems with strip malls and small office buildings.

Although the landscape for Wisconsin banks has been relatively good, McDonald believes the pace of bank closures will accelerate. Pointing to the number that were shuttered between 1988-89 (500) and during 1990 (400), he said, "I'd be very surprised if we don't see a pick up in the number of banks closed. I don't think you'll see a state that's not touched by closures." The FDIC has more than 700 banks on its problem list, up from 552 during the third quarter of 2009.

How to Deal with the Economic Environment?

So how should Wisconsin's community bankers address this environment? In reviewing enforcement trends and the frequency of regulatory actions, McDonald sees an emphasis on two areas of the CAMELs – capital levels and asset quality. A third area, management, is also receiving a different type of attention than in the past.

One regulatory red flag is not having a capital plan. "You need to have a capital plan and scenarios as to where you're going to get capital from should you need it," McDonald said. Many banks used to get their funds from large regional and national banks. That's not an option anymore. Those banks have their own set of issues. Regulators are concerned about their loan concentrations in the financial services industry, since many have a long list of nonperformers on the books originating from smaller banks or from banks that were closed.

For now, community banks have only three places from which to acquire additional capital: their current shareholders, new shareholders, and debt issued to the public. Some of those sources aren't willing to add more bank stock to their portfolios because of their own financial difficulties. Others worry whether all of the bank's problems have been identified. The regulators have also set prohibitions on debt and stock redemptions and dividends for banks under enforcement actions.

For banks with poor asset quality, regulatory actions have run the gamut from loan action plans, stopping further lending to classified borrowers, and requiring improvement to loan policies. Actions have also required loan reviews, concentrating of credit, and orders to hire a new senior lender.

The regulators have always assessed the quality of bank management but seem to be doing it in a different way these days, McDonald noted. And that assessment begins the minute they walk in the door. "They are using management responses as a way of evaluating your bank."

And regulators aren't only watching the CEO, but the rest of the management

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Banking Regulators Seek Level Playing Field

Daryll Lund, CAE, CBW President and CEO

Wisconsin community bankers were well represented in March at the 2010 ICBA National Convention and Techworld. One of the highlights was the opportunity to hear directly from individuals representing the FDIC, Fed, OCC, OTS, and others about the future of community banking. Looking back over the years the comments shared by these bank regulators have been insightful and at times prophetic.

Ten years ago at the ICBA convention in San Antonio, FDIC Chairman Donna Tanoue noted that while in the year 2000 the sun was shining on the deposit insurance system with the funds (BIF and SAIF) being well capitalized and most banks paying nothing for insurance premiums, that now was the time to think about how to ensure that the funds can weather the next storm – *"because another storm will come eventually."*

Chairman Tanoue continued, "The regulatory community is working on measures to address the risks from large, complex banking organizations … it is likely that some of these initiatives will result in requirements that apply only to large banks." With respect to deposit insurance, Tanoue acknowledged that Congress had addressed establishing a risk-based premium system in FDICIA. The language says the FDIC may "establish separate risk-based assessment systems for large and small members of the deposit insurance fund." She added, "It may be … necessary to move away from the one-size-fits-all approach … to avoid placing unnecessary burdens on smaller banks while appropriately pricing the risks from larger institutions."

A decade later in Orlando, current FDIC Chairman Sheila Bair and Federal Reserve Chairman Ben Bernanke supported regulatory reform that finally ends too-big-to-fail and levels the playing field for community banks.

Chairman Bair stated, "If the Congress accomplishes anything this year, it should be to clearly and completely end too-big-to-fail. Never again should the taxpayers be asked to bail out a failing financial firm." Bair went on to challenge the community bankers by saying, "But barring another crisis of this magnitude, this opportunity to level the regulatory playing field may not come again in our lifetimes. The FDIC will continue to fight for a regulatory framework that preserves the stability of our financial system and puts smaller institutions on an equal footing. But we need your help."

This is why ICBA and CBW are fighting hard to make sure that Congress and the administration enact sound financial regulatory reform policies this year. Key priorities are:

- Promoting financial reform that protects taxpayers and prevents future economic crises by ending too-big-to-fail policies through increased regulatory oversight and a resolution process for systemically dangerous firms.
- Supporting fair and equitable consumer protection laws that ensure all financial firms that grant credit comply with the same laws that apply to community banks, and that any enhanced regulation of consumer financial products be focused on the unregulated "shadow" financial industry.
- Supporting the federal deposit insurance system, but urging more parity between large and small banks by broadening the FDIC assessment base.

I encourage you to contact your members of Congress and tell them that the financial storm we face today must be addressed by leveling the playing field for community banks. Only by eliminating too-big-to-fail, increasing regulatory oversight of the shadow banking industry, and creating a more equitable deposit insurance system will the sun shine once again on the community banking industry.

staff as well including the senior lender and the chief financial officer. They're also keeping a close eye on the board and board committees, looking for evidence of corporate governance.

The thinking behind the additional management scrutiny is that it takes a different skill set to run a bank that's having problems versus one that isn't troubled. Regulators are evaluating whether or not the current management team has the skills to return the bank to profitability. "You have to show them how you're addressing the problems as the leader of the bank."

Recent trends in management actions have included improving the strategic plan, emphasizing overall bank policies and procedures, and hiring qualified management. Banks have also been ordered to perform a management study, enhance their code of ethics with an emphasis on board of director matters, and enhance the risk assessment process.

Earning and liquidity actions have focused on two areas: developing a business plan to improve earnings and improving liquidity and funds management policy. Compliance actions addressed violation of laws, Bank Secrecy Act problems, HMDA, flood insurance (a big issue among Wisconsin banks), Fair Lending, and improving compliance committees and process. The only IT action is being directed toward the IT systems plan.

When the Great Recession of 2008 becomes a matter for the history books, it's certain that banking will look different than it does today. But for now, it is what it is. "You won't win everything you want from the regulators, but the object isn't to win," McDonald cautioned. "The object is to live to fight another day. The strong companies, management teams, and boards will survive."

Suggestions for a Good Exam

McDonald suggested the following ways to help ensure a good outcome on your next exam. "Prepare yourself before they come in. Know what you're going to say to the regulators about asset quality and capital."

Before the regulators arrive, review your policies and processes for determining loan loss reserves. "Spend some time with your allowance calculation so they can walk through it without needing much input from you."

Identify problem credits. No longer can you wait 90 days for your customer's position to improve. Do your policies and procedures allow you to identify credits that are getting worse? Be able to articulate what your system is and ask yourself if it works and if it's good enough.

Be prepared to answer questions, even minor ones, in a thoughtful way. If the regulators think it's important enough to ask, it's important enough for you to give them a well-thought out answer.

Understand that bank exams are not a way of assessing risk. The regulations require risk assessment. Assessments should focus on both quantity and quality of risk.

Personalities can exacerbate or solve problems. "Encourage a thoughtful relationship [with the regulators]," McDonald said. "This environment is not one where you can get defensive." If you disagree with a regulator's observation, say so in a tone that implies that everyone is focused on the same thing, the safety of the bank.

Bankers and Sponsors at the Wisconsin Reception at the ICBA National Convention in Phoenix














Maximizing Tax Deductions – More Reasons Than Ever Not To Leave Them On the Table

Both S corporation and C corporation banks should carefully review their opportunities for maximizing 2009 tax deductions to take advantage of the 5-year carryback rules available for 2009 tax losses, as well as minimizing 2009 income taxes paid.
C corporation banks may have another reason for maximizing their 2009 tax deductions—it may help them to preserve the amount of deferred tax assets (DTA) they can recognize for call report purposes.

Five-Year Carryback of Net Operating Losses (NOLS)

The "Worker, Homeownership, and Business Assistance Act of 2009" (the "Act") expanded the five-year carryback of NOLs and extended it to NOLs occurring in 2009. Under the Act, any taxpayer (with the exception of TARP recipients) with an NOL for 2008 or 2009 can elect to carryback that loss up to five years. This applies to C corporation banks as well as S corporation shareholders who end up with an overall NOL on their personal tax returns.

Generally, a taxpayer can use the elective five-year carryback for only 2008 or 2009; however, a taxpayer that qualified under the original five-year carryback as a "small business" (under $15 million in average gross receipts) for a 2008 loss can use the new law to make another election for 2009.

The amount of the NOL that can be carried back to the fifth tax year before the loss year may not be more than 50% of the taxable income for that fifth tax year. The amount carried to the succeeding years (fourth year back, third year back, etc.) can fully offset the taxable income of those years.

Planning Opportunities Exist for Maximizing Tax Deductions

Taxpayers eligible for the five-year carryback rules will need to analyze their options, taking into consideration factors such as effective tax rates paid in carryback years, the Alternative Minimum Tax (AMT), and projected 2010 income, all of which can affect the actual cash received.

After these options have been considered, various strategies can be utilized for the purpose of maximizing tax deductions. The effect of these strategies is to decrease 2009 taxable income and potentially increase the 2009 NOL carryback (if in a tax loss position). Examples of strategies that can be utilized for this purpose include:

- Depreciation – take advantage of bonus depreciation allowed for 2009.
- Cost segregation – consider study to support additional depreciation on building placed in service currently or over the past 5 years. IRS rules allow a depreciation "catch- up" deduction in the current year.
- Prepaid expenses – consider making election to deduct prepaid expenses on cash basis.
- Allowance for loan loss – maximize charge-offs allowed for tax purposes.
- Other Than Temporary Impairment (OTTI) – review facts to determine if a "credit loss" is allowed for tax purposes.
- Nonaccrual loan interest – review facts to determine if interest can be excluded for tax purposes.

This list is not all-inclusive. Careful tax planning is necessary to maximize tax deductions on 2009 tax returns to take advantage of rules that are not available in 2010.

C Corporation Banks - Maximizing 2009 Tax Deductions for Deferred Tax Purposes

For C corporation banks (who were not TARP recipients) with tax losses in 2008 or 2009, the five-year carryback provision could have an impact on the amount of deferred tax assets (DTA) recognized for regulatory purposes.

Over the past few years, the amount of DTA reported by C corporation banks has increased due to increases in book deductions not currently allowed for tax purposes. The largest component of DTA for many banks is their allowance for loan loss (ALL). The ALL is not deductible for tax purposes until the loans are actually charged off, leaving a deferred deduction that results in a DTA.

For call reports for the period ending 12/31/2009, banks will be able to take advantage of the five-year carryback rules in determining the amount of DTA they can recognize. For call report purposes, DTA are recognized to the extent the deferred deductions (1) could be carried back to offset previously taxed income and (2) can be utilized against taxable income generated in the next 12 months.

While the five-year carryback rule may help banks maintain their DTA for capital purposes on their 12/31/2009 call reports, the reversion to a two-year carryback period in 2010 could create issues. The decrease in the carryback period (from the five-year carryback to the general two-year carryback rule), coupled with the fact that many banks had reduced earnings (and even tax losses in 2008 and 2009), may leave banks with little or no potential to "carryback" their DTA. If this is the case, banks are only able to recognize their DTA to the extent of this reduced "carryback" plus their projected taxable income for the next 12 months.

Careful tax planning is needed to maximize the recognition of DTA for C corporation banks concerned with regulatory capital levels.

Summary

With the expansion of the NOL carryback period to five years, both S corporation and C corporations banks should carefully review their opportunities for maximizing 2009 tax deductions. Doing so will minimize 2009 income taxes paid, maximize the income tax refund on a potential NOL carryback claim, and for C corporations, preserve the amount of DTA recognized for regulatory purposes. Careful tax planning is required in order to maximize 2009 tax deductions, and tax consultants at Wipfli LLP can assist with this analysis.

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The S.A.F.E. Act: What Banks Need to Know to Prepare

Peter J. Wilder, Financial Institutions Practice Group, Godfrey & Kahn, S.C.

Congress enacted the Secure and Fair Enforcement Mortgage Licensing Act (S.A.F.E. Act) as part of the Housing and Economic Recovery Act of 2008. The S.A.F.E. Act directed states to adopt certain minimum licensing and registration requirements for mortgage loan originators (MLOs), in lieu of the Department of Housing and Urban Development (HUD) establishing a nationwide licensing and registration system. As a result, states, including Wisconsin, have been passing new MLO licensing and registration statutes to comply with the Act. These new laws require banks to institute additional policies and procedures for compliance.

Wisconsin's MLO licensing law, Wis. Stat. § 224.725 adopted in 2009, and the S.A.F.E. Act require that MLOs satisfy two general components in order to originate mortgage loans: state licensing and registration with the National Mortgage Licensing System (NMLS). A 'mortgage loan originator' is now defined by Wisconsin law as any individual who, for compensation or gain or in the expectation of compensation or gain, takes a residential mortgage loan application, or offers or negotiates terms of a residential mortgage loan. This definition is meant to be very inclusive and will likely be interpreted to apply broadly to persons involved in the origination process.

However, there is an exemption from the licensing requirements under the new Wisconsin law for employees of certain financial institutions. Specifically, employees acting for a depository institution, a subsidiary owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the Farm Credit Administration, do not need a MLO license so long as they meet the "registration" component.

If bank employees were not otherwise exempt from licensing, they would be required, among other things, to pass a competency test and complete 20 hours of pre-licensing education and eight hours of annual continuing education.

NMLS Registration

To satisfy the registration requirement, bank employees acting as MLOs must register with the NMLS within 180 days from the date that the federal banking agencies provide in a public notice that the NMLS is accepting registrations. As of the date of this article, the agencies have publicized a draft final rule governing registration under the NMLS; however, no action is required by bank employees until a final rule is promulgated. (See http://mortgage.nationwidelicensingsystem.org).

Bank employees acting as MLOs must register with the NMLS registry, maintain such registration annually, and obtain a unique identifier from the registry. To register with the NMLS, the employee (or the bank on behalf of the employee) must provide a broad range of information, including: contact information; employment date; 10 years of financial services-related employment history; history of financial services-related regulatory and disciplinary actions; professional license suspensions; and criminal actions involving dishonesty or money laundering. Registrants have a continuing duty to update this information with the NMLS.

Bank employees must provide fingerprints to the NMLS for submission to the FBI for a criminal history background check. Plus, certain information submitted to the NMLS will be publicly available, including an employee's name, current business contact information, relevant employment history, and publicly adjudicated disciplinary actions.

As employers of MLOs, banks also have responsibilities. A bank must submit, among other things, contact information, the name of its primary federal regulator, and contact information for "system administrators." These are individuals with the authority to submit bank and employee information to the NMLS and to delegate this authority to other individuals. System administrators cannot themselves be MLOs unless the bank has 10 or fewer full-time employees and is not a subsidiary. Banks have a continuing duty to update all information and must review it annually.

Policies and Procedures

Banks employing MLOs must adopt and follow written policies and procedures to assure compliance with the rule. These must address, among other things: identification of employees who need to register; S.A.F.E. Act compliance instruction to employees; procedures for confirming adequacy of registrations; annual independent testing for compliance; appropriate action when an employee fails to comply with the registration requirements; and processes for reviewing criminal history reports received from the NMLS.

Upon registration, an employee will receive a unique identifier from the NMLS. Employees must provide this unique identifier to a consumer upon request, before acting as a MLO, and through the employees' initial written communication with a consumer, whether on paper or electronically. The Federal Housing Finance Agency has already directed Fannie Mae and Freddie Mac to require all mortgage loan applications taken on and after July 1, 2010, to include the MLO's unique identifier.

Although banks and their employees are exempt from the more onerous state licensing requirements for MLOs, they still must comply with the NMLS registration requirements. Banks should consider these practical steps: (1) appoint an individual responsible for monitoring any S.A.F.E. Act notices issued by the agencies; (2) appoint a system administrator responsible for submitting information to the NMLS; (3) begin discussing policies and procedures necessary to comply; (4) determine which employees qualify as "mortgage loan originators;" and (5) hold an informational session for all employees acting as mortgage loan originators.

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CBW Banconomics Update: Selected FDIC Bank Figures as of December 31, 2009

Institution, City	Total Assets ($000)	Net Income	ROA (%)	ROE ($000)
M&I Marshall & Ilsley Bank, Milwaukee	$50,253,578	-$735,564	-1.39	-15.95
Associated Bank, NA, Green Bay	$22,564,122	-$117,581	-0.50	-4.35
Johnson Bank, Racine	$5,573,200	$4,101	0.07	1.01
AnchorBank, FSB, Madison	$4,461,272	-$158,725	-3.26	-65.16
Bank Mutual, Brown Deer	$3,511,269	$14,257	0.41	3.70
FPC Financial, FSB, Madison	$1,862,536	$28,580	1.55	12.89
WaterStone Bank, SSB, Wauwatosa	$1,860,588	-$10,630	-0.56	-6.46
North Shore Bank FSB, Brookfield	$1,813,673	$5,587	0.30	2.56
Guaranty Bank (MHC), Milwaukee	$1,319,978	-$52,586	-3.57	-50.99
National Exchange Bank & Trust, Fond du Lac	$1,259,613	$13,131	1.11	7.79
Tri City National Bank, Oak Creek	$1,123,486	$22,137	2.61	20.69
Baylake Bank, Sturgeon Bay	$1,045,228	$4,704	0.45	5.36
River Valley Bank, Wausau*	$951,759	$8,718	0.94	8.83
First Business Bank, Madison	$930,613	$2,858	0.31	3.41
First Banking Center, Burlington	$922,558	-$21,792	-2.32	-38.08
Bank First National, Manitowoc	$837,921	$6,770	0.86	8.29
First National Bank & Trust Co., Beloit	$825,880	$3,853	0.57	5.68
The Park Bank, Madison	$823,572	$175	0.02	0.22
Park Bank, Milwaukee*	$798,320	$2,525	0.32	3.43
Waukesha State Bank*	$787,352	$11,283	1.49	11.51
The Baraboo National Bank	$774,425	-$7,615	-0.98	-9.82
State Bank of Cross Plains	$721,645	$3,871	0.55	6.41
First National Bank, Waupaca*	$705,398	$12,709	1.80	19.29
Town Bank, Hartland	$705,272	-$96	-0.01	-0.12
First Bank Financial Centre, Oconomowoc	$670,979	$2,740	0.41	5.10
Nicolet National Bank, Green Bay	$657,127	$1,522	0.24	2.48
Investors Community Bank, Manitowoc	$655,887	$3,176	0.50	5.74
Bremer Bank, NA, Menomonie	$648,143	$7,082	1.12	13.57
Westbury Bank, West Bend	$643,128	$192	0.03	0.34
Citizens Bank of Mukwonago	$636,423	$5,312	0.87	7.81
Community Bank & Trust, Sheboygan	$632,005	$240	0.04	0.44
Peoples State Bank, Wausau	$606,586	$3,660	0.63	7.15
National Bank of Commerce, Superior	$571,096	$2,289	0.40	4.27
Citizens Community Federal, Eau Claire	$566,651	-$3,082	-0.57	-6.21
Time Federal Savings Bank, Medford	$565,679	$5,782	1.07	7.01
Great Midwest Bank, SSB, Brookfield	$555,623	$2,894	0.50	3.26

* Subchapter S Corporation

Institution, City	Total Assets ($000)	Net Income	ROA (%)	ROE ($000)
Thrivent Financial Bank, Appleton	$548,648	$1,852	0.34	3.25
Horicon Bank*	$546,652	$3,138	0.60	6.74
Charter Bank Eau Claire*	$535,532	$6,142	1.16	11.12
Blackhawk State Bank, Beloit	$522,804	$2,482	0.48	5.25
PyraMax Bank, FSB, Greenfield	$516,304	$148	0.03	0.30
Mid-Wisconsin Bank, Medford	$501,687	-$2,006	-0.40	-4.75
The Equitable Bank, SSB, Wauwatosa	$491,873	-$4,839	-0.94	-11.09
RidgeStone Bank, Brookfield	$468,245	$3,796	0.79	8.12
West Pointe Bank, Oshkosh	$461,572	$489	0.11	1.40
Wisconsin Community Bank, Madison	$448,106	$4,443	1.02	9.72
Dairy State Bank, Rice Lake	$443,910	$2,576	0.61	6.50
ISB Community Bank, Ixonia	$428,212	$1,928	0.47	5.45
Southport Bank, Kenosha*	$425,091	-$9,002	-1.96	-23.91
The Port Washington State Bank	$380,111	$1,577	0.42	5.03
Maritime Savings Bank, West Allis	$378,944	-$19,708	-5.02	-83.34
Denmark State Bank	$371,325	$220	0.06	0.62
Bank of Wisconsin Dells	$370,416	$2,577	0.71	7.68
McFarland State Bank*	$363,166	$5,678	1.60	16.88
The Business Bank, Appleton	$362,723	$1,751	0.48	5.47
Peoples State Bank, Prairie du Chien*	$359,094	$5,065	1.47	15.23
River Bank, Stoddard*	$358,714	$5,157	1.49	13.25
DMB Community Bank, De Forest	$358,488	$2,492	0.71	9.17
Fox Valley Savings Bank, Fond du Lac	$357,380	-$3,165	-0.88	-8.20
Bankers' Bank, Madison	$353,405	$1,095	0.28	2.27
Bank of Sun Prairie	$348,382	$1,241	0.39	2.61
Monona State Bank	$347,287	$1,655	0.49	4.68
Northwestern Bank, Chippewa Falls	$344,064	$803	0.23	2.34
WoodTrust Bank, NA, Wis. Rapids*	$340,227	$5,359	1.64	15.93
First State Bank, New London	$337,547	-$1,197	-0.37	-3.18
Peoples Bank of Wisconsin, Hayward*	$331,868	$4,862	1.43	12.44
State Bank Financial, La Crosse*	$317,376	$501	0.15	1.59
Security Financial Bank, Durand*	$308,757	$350	0.11	1.51
Commerce State Bank, West Bend	$299,450	$796	0.27	2.99
Farmers & Merchants Union Bank, Columbus	$294,347	$1,501	0.57	6.75
PremierBank, Fort Atkinson	$286,027	$2,079	0.75	5.17
Evergreen State Bank, Stoughton	$284,312	-$3,503	-1.22	-14.08
The First National Bank of River Falls*	$283,406	$1,584	0.56	6.23
Community State Bank, Union Grove*	$278,826	$2,665	1.00	9.42

CBW Banconomics Update: Selected FDIC Bank Figures as of December 31, 2009

Institution, City	Total Assets ($000)	Net Income	ROA (%)	ROE ($000)
Abby Bank, Abbotsford	$274,181	$2,447	0.92	9.98
Stephenson National Bank & Trust, Marinette*	$270,260	$2,715	1.03	10.51
Bank of Prairie du Sac	$267,418	$3,968	1.55	9.79
Community Bank CBD, Delavan	$267,304	$567	0.22	2.58
Marshfield Savings Bank	$267,130	-$359	-0.14	-1.24
The First National Bank of Berlin	$264,232	$162	0.06	0.73
InvestorsBank, Waukesha*	$261,315	$1,983	0.75	6.33
Mound City Bank, Platteville	$260,051	$981	0.37	4.26
First National Bank-Fox Valley, Neenah	$255,047	$805	0.34	3.34
Securant Bank & Trust, Menomonee Falls	$253,087	-$7,038	-2.95	-34.45
Community First Bank, Boscobel*	$249,622	-$7,142	-2.80	-31.89
The Peoples Community Bank, Mazomanie	$243,278	$2,453	1.04	9.70
American Nat'l. Bank-Fox Cities, Appleton*	$242,616	$2,518	1.04	10.24
Clare Bank, NA, Platteville*	$241,167	$4,238	1.88	21.03
East Wis. Savings Bank, SA, Kaukauna	$240,693	$669	0.28	4.01
Banks of Wisconsin, Kenosha*	$240,345	-$5,791	-2.39	-36.42
Walworth State Bank*	$238,522	$2,209	0.98	11.03
Legacy Bank, Milwaukee	$236,198	-$3,188	-1.37	-13.91
American Bank, Fond du Lac	$233,904	$2,578	1.15	7.43
Foundations Bank, Pewaukee	$233,266	-$1,119	-0.52	-6.04
Capitol Bank, Madison	$228,275	$1,970	0.89	10.63
Bank of Luxemburg	$226,352	$1,505	0.69	6.86
First Citizens State Bank of Whitewater	$226,071	$2,445	1.13	7.76
BLC Community Bank, Little Chute*	$225,871	$2,523	1.15	11.01
Bank of Mauston*	$225,225	$3,979	1.81	17.20
Royal Bank, Elroy	$224,659	$2,228	1.02	10.67
United Bank, Osseo	$224,363	$2,186	0.99	11.66
Hartford Savings Bank	$221,791	$50	0.02	0.26
Farmers & Merchants Bank, Tomah	$221,223	$1,726	0.82	9.28
Chippewa Valley Bank, Winter*	$219,921	$2,700	1.29	14.57
Premier Community Bank, Marion	$217,554	$1,205	0.54	5.99
Middleton Community Bank	$216,936	$1,416	0.67	6.08
Farmers Savings Bank, Mineral Point*	$212,111	$2,641	1.27	14.90
Jackson County Bank, Black River Falls*	$211,883	$4,099	2.07	20.95
Hometown Bank, Fond du Lac	$210,144	-$7,332	-3.55	-33.73
Nekoosa Port Edwards State Bank, Nekoosa*	$209,570	$2,511	1.25	11.51

Institution, City	Total Assets ($000)	Net Income	ROA (%)	ROE ($000)
Woodford State Bank	$209,519	$1,643	0.84	10.49
Oak Bank, Fitchburg	$209,184	$963	0.47	5.14
The Private Bank, NA, Milwaukee	$199,808	$661	0.37	4.30
Oregon Community Bank & Trust	$198,488	-$2,922	-1.39	-12.05
Coulee Bank, La Crosse*	$197,618	$1,424	0.80	7.84
Peoples Bank, Elkhorn	$195,323	$288	0.15	1.77
Bank of Alma	$193,644	$4,196	2.14	6.71
The First National Bank of Bangor	$193,367	$4,118	2.23	12.00
Eagle Valley Bank, NA, St. Croix Falls	$192,043	-$6,084	-2.98	-38.43
River Cities Bank, Wisconsin Rapids	$186,930	$1,155	0.62	6.12
The Farmers State Bank of Waupaca	$186,788	$2,283	1.27	9.45
First Business Bank-Milwaukee, Brookfield	$185,219	-$424	-0.27	-2.63
Union Bank & Trust Co., Evansville	$182,180	$1,124	0.77	8.28
Timberwood Bank, Tomah	$181,622	-$3,141	-1.75	-14.79
Bank of Lake Mills*	$180,105	$191	0.11	1.23
Northern State Bank, Ashland*	$179,748	$2,474	1.41	17.06
The Bank of New Glarus	$175,917	$1,711	0.99	9.67
First Bank of Baldwin*	$175,405	$2,562	1.50	11.85
Citizens State Bank, Hudson*	$171,241	-$5,122	-2.81	-42.26
Farmers & Merchants Bank, Berlin	$168,421	$1,518	0.94	8.94
Marathon Savings Bank, Wausau	$165,245	$997	0.63	5.28
Sterling Bank, Barron*	$164,442	$2,456	1.51	18.05
The First National Bank of Hartford	$161,635	$488	0.31	2.30
Livingston State Bank	$161,440	$646	0.42	4.15
First National Bank of Eagle River*	$159,864	$1,264	0.78	11.20
State Bank of Chilton*	$158,904	-$982	-0.61	-4.52
The Peshtigo National Bank*	$154,599	$673	0.44	5.47
Paper City, SA, Wisconsin Rapids	$154,075	-$574	-0.38	-4.13
Oostburg State Bank	$153,936	$1,340	0.91	6.99
First National Community Bank, New Richmond*	$153,205	$540	0.36	4.10
Farmers & Merchants Bank & Trust Co., Marinette	$152,784	-$558	-0.38	-3.82
Intercity State Bank, Schofield	$152,032	$2,073	1.41	9.19
Home Savings Bank, Madison	$149,146	-$265	-0.18	-2.39
State Bank of Newburg	$146,741	$1,751	1.28	9.90
Laona State Bank	$146,588	$581	0.41	4.18
Waumandee State Bank	$145,658	$705	0.52	5.20
Citizens First Bank, Viroqua*	$143,763	$1,492	1.08	10.35

* Subchapter S Corporation

CBW Banconomics Update: Selected FDIC Bank Figures as of December 31, 2009

Institution, City	Total Assets ($000)	Net Income	ROA (%)	ROE ($000)
Sunset Bank & Savings, Waukesha	$143,248	-$1,199	-0.82	-10.27
Community Bank of Central Wis., Colby	$142,729	-$4,595	-3.32	-33.15
Integrity First Bank, Wausau	$139,069	-$967	-0.71	-6.90
Citizens State Bank of Loyal	$138,917	$824	0.59	5.78
Farmers & Merchants State Bank, Waterloo	$137,885	$430	0.31	2.58
Alliance Bank, Mondovi*	$137,731	$1,428	1.05	10.42
The First National Bank of Platteville	$135,599	-$1,496	-1.13	-10.35
Layton State Bank, Milwaukee	$131,752	-$443	-0.35	-3.63
American Bank & Trust Wis., Cuba City*	$130,329	$1,211	0.97	10.06
The National Bank of Waupun	$129,769	-$340	-0.27	-2.69
Shell Lake State Bank*	$128,883	$2,402	1.92	10.74
Cornerstone Community Bank, Grafton	$128,758	$822	0.66	7.76
Bank North, Crivitz	$121,279	$712	0.60	5.70
Choice Bank, Oshkosh	$120,895	-$2,850	-2.37	-14.50
Markesan State Bank	$120,160	$1,266	1.17	9.15
Bay View Federal S&L, Milwaukee	$117,211	$565	0.51	3.65
Badger Bank, Fort Atkinson	$117,008	$381	0.32	3.14
Grand Marsh State Bank	$116,532	$1,163	1.08	7.15
Wolf River Community Bank, Hortonville	$116,142	$1,109	0.99	9.75
Advantage Community Bank, Dorchester	$115,522	$726	0.64	6.52
First Federal Bank of Wis., Waukesha	$114,742	$24	0.02	0.19
Security State Bank, Iron River	$114,671	-$4,849	-4.27	-40.26
Community Bank of Northern Wis., Rice Lake*	$113,989	$529	0.51	6.73
Bay Bank, Green Bay	$113,850	-$2,274	-2.06	-20.70
The American National Bank of Beaver Dam	$113,790	-$778	-0.68	-6.74
The Bank of Brodhead	$112,391	$815	0.75	5.45
Cambridge State Bank	$112,127	-$1,958	-1.78	-20.01
State Bank of Arcadia*	$110,853	$850	0.81	9.31
Peoples State Bank of Bloomer	$108,990	$547	0.50	4.37
Richland County Bank, Richland Center	$108,209	$869	0.81	4.06
Marathon State Bank	$107,948	$648	0.60	3.27
Fox River State Bank, Burlington	$106,791	-$1,459	-1.31	-15.36
Stratford State Bank	$106,515	-$2,275	-2.11	-18.92
Pioneer Bank, Auburndale	$105,247	$452	0.44	3.58
Portage County Bank, Almond*	$100,217	-$710	-0.77	-8.10
Citizens State Bank, Cadott	$99,038	-$836	-0.86	-9.01
The Bank of Kaukauna*	$98,813	$1,406	1.49	12.68
Community Bank of Cameron*	$98,377	$1,497	1.62	20.51
Badger State Bank, Cassville*	$95,195	-$3,996	-4.03	-69.12
North Milwaukee State Bank	$93,557	$149	0.16	1.92
Fidelity National Bank, Medford	$93,298	$14	0.02	0.15
Banner Banks, Birnamwood*	$92,374	$176	0.19	1.72
First National Bank of Park Falls*	$92,304	$1,017	1.14	9.44
Commercial Bank, Whitewater	$91,716	$198	0.23	2.05
Bank of Deerfield*	$91,248	$1,479	1.68	14.31
First Bank, Tomah	$89,088	-$503	-0.56	-6.72
Bank of Poynette	$88,610	$575	0.67	7.75
TSB Bank, Lomira	$88,499	$558	0.66	8.65
Farmers State Bank Hillsboro	$87,557	$1,216	1.46	9.64
Heritage Bank, Spencer	$86,071	$446	0.59	5.23
First National Bank at Darlington	$85,943	$626	0.78	6.32
Cumberland Federal Bank, FSB	$85,650	$626	0.73	7.35
Bank of Wausau	$84,866	-$329	-0.38	-3.55
Bank of Galesville*	$84,558	$1,737	2.10	17.25
Calumet County Bank, Brillion	$83,442	$398	0.48	4.67
Mid America Bank, Janesville	$83,435	-$444	-0.64	-4.35
Union National Bank & Trust Co., Sparta	$83,100	$576	0.71	4.13
Farmers State Bank, Markesan	$82,093	$460	0.58	4.27
KeySavings Bank, Wisconsin Rapids	$81,602	-$177	-0.22	-1.53
Dairyland State Bank, Bruce*	$81,558	$109	0.13	1.19
Citizens State Bank of Clayton*	$81,437	$1,711	2.32	31.64
First Community Bank, Milton*	$81,435	$590	0.77	9.03
River Falls State Bank*	$80,027	$783	1.00	6.10
Union State Bank, Kewaunee	$79,522	$185	0.24	2.28
Cleveland State Bank	$79,095	$637	0.86	10.23
Tomahawk Community Bank S.S.B.	$78,776	-$816	-1.04	-8.11
Security Bank, New Auburn	$76,785	-$587	-0.78	-7.05
Settlers Bank, De Forest	$73,674	$435	0.81	4.99
Mitchell Bank, Milwaukee	$73,623	-$255	-0.33	-2.75
Bank of Monticello	$72,396	-$92	-0.13	-1.16
Black River Country Bank, Black River Falls*	$71,796	$710	1.01	8.42
Bancroft State Bank*	$71,600	$438	0.65	7.46
Lincoln Community Bank, Merrill	$70,493	$266	0.38	4.12
State Bank of Florence	$70,432	$175	0.24	2.59
Unity Bank, Augusta*	$69,764	$699	1.02	8.72
Spring Bank, Brookfield	$69,436	-$542	-1.12	-5.08
First American Bank, NA, Hudson*	$68,376	-$967	-1.60	-14.35

* Subchapter S Corporation

Institution, City	Total Assets ($000)	Net Income	ROA (%)	ROE ($000)
Bank of Oakfield	$68,213	$139	0.22	2.22
Community First Bank, Rosholt*	$67,498	$330	0.49	5.85
Bank of Milton*	$67,273	$989	1.55	17.60
Superior Savings Bank	$66,873	$261	0.39	2.62
Community Business Bank, Sauk City	$65,676	-$331	-0.50	-5.41
Union Bank of Blair*	$64,141	$935	1.50	15.15
The Greenwood's State Bank, Lake Mills	$63,704	-$3,072	-4.07	-19.81
The First National Bank of Niagara	$63,320	$164	0.26	2.50
Headwaters State Bank, Land O'Lakes*	$62,996	$935	1.57	12.11
Greenleaf Wayside Bank*	$62,726	$560	0.92	10.03
Bank of Turtle Lake*	$62,440	$410	0.69	6.46
Independence State Bank	$61,302	-$749	-1.24	-14.79
Pigeon Falls State Bank	$59,432	$170	0.31	3.01
Farmers & Merchants Bank of Kendall*	$57,683	$1,520	2.75	27.17
The Pineries Bank, Stevens Point*	$56,831	$814	1.44	16.02
Union State Bank of West Salem	$56,768	$443	0.81	5.93
Pioneer Bank of Wisconsin, Ladysmith	$56,400	-$194	-0.35	-3.36
Rural American Bank-Luck*	$56,201	$890	1.60	21.22
Bank of Cashton	$54,879	$146	0.27	2.78
Farmers Exchange Bank, Neshkoro	$54,466	$476	0.89	7.15
Town & Country Bank, Watertown	$53,103	-$56	-0.11	-1.30
Hustisford State Bank	$50,807	$391	0.82	5.71
Bonduel State Bank	$50,792	$636	1.30	5.93
Mayville Savings Bank	$49,708	$25	0.05	0.51
Hiawatha National Bank, Hager City*	$48,803	$606	1.39	12.06
State Bank of Reeseville	$48,622	$157	0.33	2.57
Northwestern Mutual Wealth Management	$47,508	$6,787	15.47	17.15
The Benton State Bank*	$45,780	$276	0.61	6.82
The Necedah Bank	$45,711	-$322	-0.70	-4.88
The Black Earth State Bank	$45,574	-$740	-1.64	-20.31
The International Bank of Amherst*	$45,067	$665	1.51	10.61
La Farge State Bank	$44,882	$924	2.11	6.89
Waldo State Bank	$43,395	$330	0.81	5.84
First National Bank & Trust, Barron*	$43,078	-$599	-1.26	-13.56
Ladysmith Federal Savings and Loan Association	$41,814	$39	0.11	0.96
Park Bank, Holmen	$41,571	$168	0.42	2.93
State Bank of Drummond	$41,389	$423	1.03	7.70
John O. Melby & Co. Bank, Whitehall*	$40,399	$392	0.96	5.38
Collins State Bank	$39,989	$249	0.88	8.80
Merrill Federal Savings and Loan Association	$38,005	$176	0.49	4.41
Palmyra State Bank	$36,462	$358	1.02	5.69
Gratiot State Bank	$36,397	-$246	-0.70	-5.45
Farmers & Merchants Bank, of Orfordville	$36,140	$115	0.31	3.12
State Bank of Cazenovia	$35,424	$244	0.74	4.46
Superior Bank*	$33,240	$23	0.06	0.58
Community Financial Bank, Prentice	$31,537	$65	0.21	1.32
Bank of Ontario*	$31,157	$402	1.35	14.33
Woodhouse & Bartley Bank, Bloomington*	$28,820	$265	0.98	7.56
Community State Bank, Norwalk*	$28,757	$107	0.38	3.73
Highland State Bank*	$27,863	$311	1.14	13.53
WPS Community Bank, FSB, Madison	$27,657	-$772	-3.68	-8.13
Farmers & Merchants Bank, Rudolph	$27,076	-$164	-0.60	-5.51
State Bank, Gresham*	$22,020	$426	1.97	7.19
Columbia S&L, Milwaukee	$21,312	-$80	-0.37	-2.85
First National Bank in Tigerton*	$20,795	$170	0.79	5.63
Milton Savings Bank	$17,159	-$202	-1.16	-15.85
M&I Bank of Mayville	$3,033	$4	0.13	0.17

* Subchapter S Corporation

CBW Corporate and Associate Members

Thank you to CBW Corporate and Associate Members as of March 31, 2010. Visit the CBW Web site www.communitybankers.org for further information or contact Penny Heberlein at 608-833-2383.

Gold Corporate Members

Executive Benefits Network, **Milwaukee** Specialists in executive compensation and benefit planning, implementation and performance reviews of bank-owned life insurance (BOLI), and executive benefit administration support services. Contact David Fritz at 414-431-9688.

PULSE, **Houston, TX** A leading ATM/debit network, PULSE serves more than 4,400 financial institutions across the U.S. It links cardholders with ATMs and POS terminals nationwide, and provides international cash access for Diners Club and Discover cardholders. Contact Denise Stigge at 800-420-2122.

RSM McGladrey, **Madison** This national business tax, consulting, and accounting firm is a leading provider of financially focused services to financial institutions offering tax, accounting, and business consulting services. Contact Bill McDonald at 608-833-3361.

Travelers, **Brookfield** Travelers offers insurance protection products including the financial institution bond, directors and officers liability, employment practices liability, bankers professional liability, trust errors and omissions, property, general liability, automobile, and workers compensation insurance. Contact Jill Howe at 262-825-9070.

Wipfli LLP, **Eau Claire** Our mission is to educate, advise, and assist financial institutions in successfully navigating the complex environment they face. Whether your needs include regulatory compliance, profit improvement, risk management, strategic planning/board development, information technology, audit, or tax let our experts assist you. Contact Dick Dean at 800-486-3454.

Silver Corporate Members

Shazam, **Baraboo** As an ATM and debit card processor of ATM-processing services, Shazam also offers Visa Check and Debit Mastercard national debit products such as business debit and health savings account (HSA) cards, card authorization services, merchant processing, ACH services, and information security solutions. Contact Tim Luger at 800-490-7284.

West Bend Mutual Insurance Co., **West Bend** The Company makes its Home and Highway program available to bank employees. Contact Scott Stueber at 262-334-6588.

Bronze Corporate Members

Baker Tilly, **Milwaukee** This firm offers audit, tax, valuations, loan review, and consulting products and services. Contact Christine Fenske at 414-777-5500.

Chubb Group of Ins. Companies, **Milwaukee** Chubb's Community Bank Program provides tailored professional liability, financial fidelity, and property/casualty insurance features. Contact Kimberly Charlett at 414-220-7600.

Federal Home Loan Bank of Chicago, **Chicago** The FHLB provides liquidity and support of community investment projects to member financial institutions. Contact Chad Brandt at 312-565-5700.

Fiserv, Inc., **Brookfield** (NASDAQ: FISV) Fiserv is a global provider of information management and electronic commerce systems for the financial services industry. It ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry. Contact Kevin Mehl at 262-879-5743.

Jefferson Wells, **Madison** The Company delivers professional services in risk advisory, tax, finance, and accounting. We serve clients, including Fortune 500, PTSE 350, and Global 1000 companies, through highly experienced professionals working from offices worldwide. Contact Missy Helgerson at 414-231-1104.

Rural Mutual Insurance Company, **Madison** The Company provides insurance and "undivided attention" exclusively to Wisconsin families, farms, and businesses. Contact Tom Thieding at 608-828-5709.

Secure Banking Solutions, **Madison, SD** Secure Banking Solutions offers IT audit, risk assessment, policy and procedure development, penetration testing. vulnerability assessment, business continuity planning, incident response planning, risk management consulting, and BSA audit services. Contact Nick Podhradsky at 605-770-3926.

Spectrum Investment Advisors, **Mequon** Spectrum is a registered investment adviser. Contact Jim Marshall at 800-242-4735.

Regular Corporate Members

Associated Bank – Correspondent, **Green Bay** The bank is a diversified market leader that provides a full range of services and advanced technology support to financial institutions. Contact Dan Miller at 920-433-3165.

Bank Compensation Consulting, Inc., **Plano, TX** The Company delivers expertise in executive/director benefit plans, compensation consulting, bank-owned life insurance (BOLI), and provides quality "Raving Fan" service. Contact Kathy Orr Smith at 972-781-2020.

Bank Holding Company, **Minneapolis, MN** The Company's primary mission is to educate bank owners, directors, and senior officers on current ownership, legislative, and regulatory issues within the financial service industry. Contact W. Dennie Emmans at 763-784-3222.

BSA/AML Solutions, Inc., **Ingleside, IL** The Company specializes in independent BSA/AML reviews/audits. We're problem solvers for BSA, AML, and OFAC and experts in resolving regulatory enforcement. Contact Joseph Gunnell at 847-973-8140.

Center for Financial Training, **Whitefish Bay** CFT provides quality bank-specific training/education through programs to broaden knowledge and fine-tune skills for you and your employees through in-person, online, and independent study formats. Contact Beverly Klug at 414-332-6468.

Central States Health & Life Co., **Forest Lake, MN** The Company offers loan-related insurance products. Contact Dave Okeson at 800-888-8625.

CFC Technology Corporation, **Plymouth, MN** CFC helps banks generate greater revenue from their customer relationships and benefit from more efficient operations through its technology solutions, services, and networks. Contact Jay Johnson at 763-235-5300.

Clark Consulting, **Mequon** Clark is a leading provider of benefits consulting, bank-owned life insurance (BOLI), and benefit administration support services for the banking industry. Contact Jamie Boehlke at 262-242-6227.

Clifton Gunderson LLP, **Middleton** The Firm provides a wide range of assurance, accounting, tax, and consulting services. Contact Mike Stoetzel at 608-662-8600.

Coulee Region Solutions, **La Crosse** The Company provides cost-effective technology solutions, including encrypted offsite data backup, network design and implementation services, network monitoring and data security services, and a staffed help desk for remote support. Contact Hugh Steffens at 608-779-9400.

DCS Netlink, **Rice Lake** DCS provides service, sales, computer installation, services, networks, Web site design and hosting, e-mail, database programming, wireless, and Internet security. Contact Dane Deutsch at 715-236-7424.

Edge One, **Stoughton** The Company provides ATM, armored service, technology solutions to financial institutions and commercial enterprises. Contact Mike Sasse at 608-873-3311.

Elite Payment Systems, **New Berlin** The Company offers many superior check processing services, including remote deposit. Contact John Maciosek at 262-751-4270.

Emjay Corporation, **Glendale** The Company is a retirement plan administrator and record keeper. Contact Linda Wimmer at 800-553-6529.

Environmental Data Resources, **Milford, CT** The Company provides solutions for lending institutions that make environmental due diligence on small balance loans and low-risk properties easy. Contact Matt Bruns at 800-352-0050.

Federal Reserve Bank of Minneapolis, **Minneapolis, MN** The Bank provides accessibility and flexibility for a dynamic, evolving industry, including Check 21, FedACH, FedCash, FedWire, national settlement, treasury services, account management, and service charge information. Contact Steve Peterson at 612-204-6933.

Financial Insurance Admin., **Madison** The Company is a supplier of insurance products, many of which revolve around the lending department, along with the necessary personnel support and training. Contact Thomas Stanek at 800-241-5518.

Financial Marketing Corporation, **Palmyra** The Company is a marketing, advertising and public relations consultant. Contact Terry Burrington at 608-732-0382.

FIS, **Milwaukee** A global provider of banking and payments technologies, the Company provides financial institution core processing, and card issuer and transaction processing services, including the NYCE Network. Contact Michelle Przybylski at 800-822-6758.

Fortress Partners, Capital Mgmt, **Hartland** In addition to managing bank investments for institutions and individuals, we provide strategic capital advising for community banks. Contact Jon Bruss at 262-369-1095.

Godfrey & Kahn, **Milwaukee** The full-service law firm includes a banking and financial institutions practice. Contact James Sheriff at 414-273-3500.

Greenbridge Equity Partners, **Milwaukee** We market low-income housing tax credits that have been issued by WHEDA for acquisition/rehabilitation projects in Wisconsin and Iowa. These projects, developed by Cardinal Capital Management, are backed with solid guarantees. Contact Dick Kinney at 414-586-0904.

Harbour Investments, Inc., **Madison** The Company is a broker/dealer investment center for bank customers. Contact Doug Holmes at 608-662-6100.

Harland Clarke, **San Antonio, TX** The Company is a provider of check printing solutions as well as strategic marketing, education, technology, and gift card services. Contact Tim Stenlund at 800-382-0818.

Harland Financial Solutions, **Lake Mary, FL** The Company supplies software and services to thousands of financial institutions. Contact Stacey Leone at 407-804-6653.

ICBA, **Appleton** The nation's voice for community banks, ICBA exclusively represents the interests of the community banking industry and the communities they serve. Contact Michael Marx at 920-257-4222.

ICBA Bancard/TCM, **Washington, D.C.** The Company provides community banks access to comprehensive and competitive electronic payment solutions, including credit card issuing, debit/ATM card programs for both consumers and small businesses. Contact Linda Echard at 800-242-4770.

ICBA Financial Services, **Memphis, TN** The Company offers a full range of retail investment products including both a lobby program and a discount brokerage program. Wealth management services are available through several industry leading providers. Contact Bill Reid at 800-786-0223.

ICBA Mortgage, **Washington, D.C.** The Company offers servicing released and retained secondary mortgage loan solutions designed exclusively for community banks. Direct selling to Fannie/Freddie and reverse mortgage programs are also available. Contact Elizabeth Deal at 800-253-5356.

ICBA Reinsurance, **Washington, D.C.** With exclusive relationships with national insurance providers, community banks gain access to life and disability insurance coverages to meet virtually any borrowing need. Contact Steve Ello at 888-790-6625.

ICBA Securities, **Memphis, TN** The Company provides community bankers with quality investment products and services at competitive market prices. Other services include education and analysis to help community banks select the most suitable securities for their portfolios and security and risk management. Contact Jim Reber at 800-422-6442.

INFO-PRO – Mortgage Services, **Fond du Lac** The Company is a Wisconsin-based provider of real estate tax services and flood zone determinations. Contact Peter Kujawa at 920-924-9200.

Integrated Security Solutions, **Cottage Grove** The Company is a provider of electronic and physical security equipment and service specific to banks. Contact Pete Malicki at 608-229-1115.

La Macchia Group, **Milwaukee** As a capable, experienced team, the Company provides thorough due diligence, strategic site selection, and creates a brand-centered facility through compelling design and project management. Contact Dave Throndson at 414-223-4400.

Lindgren, Callihan, VanOsdol & Co., Rockford, IL The Company provides audits, tax services, information systems assessments, perimeter intrusion testing, ACH consulting, loan review, compliance, BSA consulting, trust examinations, directors' exams, merger and acquisition assistance, internal audit, and AML/interest rate risk consulting. Contact Dave Schroepfer at 815-484-5630.

M&I Capital Markets, Milwaukee The Company's services include fixed income securities, bank funding products, interest rate protection services, foreign exchange services, investment portfolio consulting, and asset/liability management. Contact Randy Fentzlaff at 800-436-6366.

Magic-Wrighter, Grand Rapids, MI The Company is the nation's leading supplier of an integrated ACHDirect origination, Internet payments, IVR, Check 21 remote deposit capture, and related electronic transaction services. Contact Robert Wright at 866-770-5856.

Michael Best & Friedrich LLP, Milwaukee Practice areas for this full service law firm include business, labor and employment, health care, intellectual property litigation, land and resources litigation, tax and wealth planning services. Contact W. Charles Jackson at 414-271-6560.

Milliman, Inc., Brookfield This credit risk group in Brookfield works with banks, insurers, and investors to provide credit risk analytic services as well as offers a full array of actuarial services. Contact Kyle Mrotek at 262-784-2250.

Mortgage Assurance Corporation, Middleton The Company provides private mortgage insurance to homebuyers through a national network of banking institutions. Contact Phil Pelanek at 608-830-2500.

Mortgage Services III, Bloomington, IL The Company provides a complete in-house mortgage program and services. Contact Donald Starks at 309-664-9100.

Mortgagebot LLC, Mequon The Company provides PowerSite, a Web-based suite of mortgage-origination solutions, and Mortgage Marvel, new mortgage-shopping service that helps community lenders compete with online lenders. Contact Donna Daniels at 877-861-3354.

MRA – The Management Association, Waukesha This employers' association provides salary surveys, and helps organizations recruit, retain, and develop productive employees through HR information, training, and consulting. Contact Kristine Hillmer at 262-696-3490.

Northland Securities, Inc., Milwaukee This underwriter/advisor for local communities engaged in the issuance of bank-qualified municipal securities, is also a full-service broker/dealer and provides portfolio "calibration" services to assist community bank portfolio managers in maximizing investment returns. Contact Stephen Isaacson at 866-333-0141.

Nu Source Financial, Inc., Eden Prairie, MN The Company provides ATM equipment and maintenance, kiosks, and surrounds. Contact Jon Erpelding at 888-786-7560.

Pekin Life Insurance Company, Pekin, IL The Company provides debt cancellation, credit insurance, and related products to financial institutions. Contact Jay Holloman at 309-478-2093.

PMA Financial Network, Inc., Warrenville, IL The Company changes the way banks view funding using an advisory approach that includes public funds, brokered deliverable CDs, and non-brokered CDs accessed via QuickRate. Contact James Lutter at 630-657-6460.

Premier Check Printing, Mahtomedi, MN The Company provides the most advanced, cost-effective in-house check printing solution to financial institutions. Contact Art Laatsch at 651-770-9770.

Quarles & Brady LLP, Milwaukee The full-service law firm includes a practice in financial institutions. Contact James Friedman at 414-277-5735.

Radian Guaranty, Inc., Philadelphia, PA The Company provides a full array of mortgage insurance products and services to lenders nationwide. Contact Brian Frame at 800-926-1621.

Ruder Ware, L.L.S.C., Wausau The Company offers loan documentation, foreclosures, collections, mergers, acquisitions, holding company matters, compliance, employment, securities, and consultation on general corporate matters. Contact Matthew Rowe at 715-845-4336.

Simplifile, Oshkosh Simplifile is the leading provider of electronic recording (e-recording) services. Contact Mark Moats at 920-203-7746.

Superior Safe & Security, LLC, Green Bay The Company sells, installs, and services electronic and physical security equipment. Contact John Gossen at 920-338-8787.

The Baker Group, Springfield, IL The Company is a leader in the development of asset/liability and investment portfolio strategies for community banks. Contact Ken Judd at 888-333-0750.

The Redmond Company, Waukesha The Company specializes in demographic/market research, due diligence, site analysis, branch deployment studies, design, and construction management. Contact Marty Steinert at 262-896-8741.

WACHA, Germantown This ACH association services Wisconsin financial institutions. Contact Mary Gilmeister at 262-345-1245.

Whyte Hirschboeck Dudek S.C. A full-service law firm, with 150 professionals based in Milwaukee and Madison. Contact Sverre Roang at 608-255-4440.

Wisconsin Business Development, Monona The Company partners for SBA loans and New Market tax credits. Contact Pamela Rich at 608-819-0390.

Wisconsin Housing and Economic Development Authority, Milwaukee WHEDA helps Wisconsin communities with their housing needs and has been a leader in assisting low-and middle-income people obtain affordable housing. Contact John Schultz at 414-227-4039.

Young & Associates, Inc., Kent, OH The Company provides consulting, education, and products for community banks. Contact Jim Kleinfelter at 330-678-0524.

Zions Correspondent Banking, Salt Lake City, UT Serving community banks for more than 100 years, Zions can provide additional Fed Funds line. Contact Mike Jensen at 801-844-7846.

Zurich North America, Charlotte, NC Since 1890 Zurich has provided insurance solutions to one in three banks. It offers more than 20 types of coverage along with award-winning claims services. Contact Mark DeLawter at 704-516-7442.

Turn-of-the-Century Elegance, Thoroughly Modern Focus

Mary Lou Santovec

Nestled into the southern shore of the 2,500-acre historic Lake Sinnissippee, the community of Hustisford (pop. 1,100) has not strayed far from its roots. Historic brick buildings flank Lake Street. So it seems fitting that in constructing its new two-story building on the corner of South Lake and Griffith streets, Hustisford State Bank was determined to recapture the graciousness of a bygone era.

Designed to reflect a turn-of-the-century ethos with a thoroughly modern information delivery system, the new bank was built for the long term. "We decided on turn-of-the-century because we're over 100 years old," said Mark Larson, the bank's newly appointed president/CEO.

The bank took inspiration from architectural legends Frank Lloyd Wright and Louis Sullivan, installing a clock tower and cladding the exterior in two-tone brick. The interior features solid cherry woodwork, a custom-built case that displays bank memorabilia and retail collectible coin sets, and a tray ceiling framing a series of three chandeliers.

Taking the long view is the bank's philosophy. The first bank building, constructed in 1902 and rebuilt after a 1912 fire, still stands at the north end of Lake Street. It's now home to OK Realty and K&K Insurance Agency.

The second building, a low-slung modern affair, sits directly across the street from the new one and houses the village clerk's office, the police department, and the local utility. "The building across the street lasted us for 30 years," Larson said. "We hope the new building lasts 100 years." The design has intentionally included room for growth.

Larson spearheaded the construction. Employees were asked for their input on the design and interior furnishings. Staff chose the pendant lights above the teller line, the chandeliers, wallpaper, and tile flooring. Ceiling tiles over the teller line have scrollwork inscribed to mimic the wallpaper design.

Steve Klessig of Keller, Inc., Kaukauna, was the architect. "He was very excited at designing a bank building that didn't already have a set style or theme to draw from," Larson said. "It allowed him to design us his version of a Louis Sullivan-style building."

Local contractors and customers were utilized whenever possible. The husband of one of the tellers installed tile and flooring; the son of Hustisford's retired president, Mel Grulke, did painting and staining. Another customer did the rough framing.

The total cost for the 8,000-square-foot building: $2 million for the structure and another $200,000 for the accessories. "We may have spent a lot in building the building, but we put a lot of it back into the community by hiring customers and local contractors," said Larson, who expects to recoup the costs in five years.

Clever cost cutting came from installing only a partial basement. This meant that the elevator only had to travel one floor saving about $60,000. The second floor is home to the loan department, a waiting area, the board room, and an employee break room. The furnace room and security system are also located on the top floor.

The main door of the new bank was built to face the intersection. This set the parameters for the new lobby and teller line, which includes a sit-down teller to serve the disabled and a walk-up teller line, which serves community residents early in the morning and late in the afternoon when the rest of the bank is closed. The bank also features two drive-up lanes with additional space for expansion.

A small vault is on display in the lobby. Sitting on top of the vault is an old ledger book dating from Jan. 6, 1902, the day the bank first opened for business.

The bank opened with $25,000 in working capital. Later, the bank was reorganized during the Depression, closing in July, 1932, and then re-opening in May, 1933. The bank currently boasts $50 million in assets, $34 million in deposits, and 13 employees. Its loan portfolio is $40 million with mortgages comprising 80 percent of the portfolio.

The bank is still one of the few financial institutions to do $500 loans. "We look at it as helping the customers," said Larson of the small-dollar lending program. Hustisford State Bank sees its primary role as strengthening and serving the community. "Our main goal is to be a service to our community," he said. "We want to be the best community bank that we can be."

While honoring the past, the bank is very much future oriented. The bank went live with its full-service online banking product on Dec. 1, 2009. The online banking supports the bank's dial-a-bank program. Although the bank has no plans to increase the number of locations beyond the headquarters building, Larson doesn't rule it out.

Grulke, who joined the bank in 1965, retired as president on March 31, 2010. He plans to remain an active board member of both the bank and its holding company, Hustisford Community Bancorp, Inc.

As Larson takes over the helm, what does he see as his near-term goal? "Sustainability," he said. "I want to keep it going and be competitive."

April is Community Banking Month!

Part of a nationwide effort coordinated by Independent Community Bankers of America (ICBA), Community Banking Month highlights the strengths of Main Street banks. With more than $75 billion in assets, Wisconsin's nearly 280 community banks give back to their local communities through more than 1,600 banking offices located in small towns, rural areas, suburbs, and cities.

Community Banking Month also gives community banks a chance to thank their customers and communities through special events, promotions, and educational and charitable activities.

CBW Community Bankers of Wisconsin

CBW's Telephone/Webcast training sessions save on travel costs and time out of the bank.

Tuesday, April 20: Your Fair Lending Exam: What the Examiners Want!
Thursday, April 22: Lending to Small Businesses
Tuesday, April 27: Incident Response Program: Before and After a Data Breach
Thursday, April 29: Agricultural Lending: Updates and Issues
Tuesday, May 4: Safe Deposit Fundamentals
Thursday, May 6: Credit Card Compliance with Regulation Z
Monday, May 10: Writing a Policy for FACT Act Risk-Based Pricing Regulations, Effective Jan. 1, 2011
Tuesday, May 11: Frontline Skillworks: Regulation CC — New Funds Availability Rules Made Easy
Thursday, May 13: Strengthening Your Bank's Loan Review Program
Tuesday, May 18: Advanced Bankruptcy Issues for Bankers
Thursday, May 20: Directors Series: Technology "Crash Course" for Officers and Directors
Tuesday, May 25: Reading and Understanding Consumer Credit Reports
Thursday, May 27: Call Report Revisions and Critical Issues

Most conferences run from 2:00 p.m. to 3:30 p.m. *However, the Director Series on May 20 begins at 10:00 a.m.* For questions on any of these conferences or about the Webcast itself, please call Sandy Gruber at 608-833-4229 or e-mail sandy@communitybankers.org. Visit CBW's Web site, select the desired workshop, and follow the link to register online.

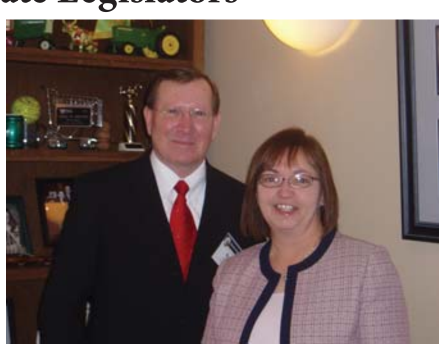
9th Annual CBW Member Appreciation Days!

An exclusive benefit of membership, Community Bankers of Wisconsin's popular Member Appreciation Days have been set for 2010:

Thursday, June 24: Hillcrest Country Club in Altoona
Wednesday, June 30: The Bull at Pinehurst Farms, Sheboygan Falls
Wednesday, July 21: Wild Rock Golf Club at the Wilderness, Wisconsin Dells

The full-day event consists of a CBW update and an educational program followed by golf in the afternoon and dinner. Watch for registration information in the mail and mark your calendar to attend this opportunity to network with your fellow bankers.

CBW Members Meet with State Legislators



Community Bankers of Wisconsin Chairman Russ Kuehn met with State Senator Luther Olsen (R-Ripon) and Representative Joan Ballweg (R-Markesan) as part of Business Day in Madison, held at the Wisconsin State Capitol in February.

CHANGING SCENE

CBW Dues Justified for Next 20 Years

AMHERST—H. B. “Butch” Pomeroy is president of International Bank of Amherst, a Sub S corporation without a holding company. In reviewing the bank’s tax return, Pomeroy discovered that the preparer listed the bank’s interest expense $44,434 less than bank records reported. The preparer had calculated a TEFRA disallowance on form 8916-A.

Pomeroy remembered receiving a Subchapter S Update from CBW in February. It was written by Wipfli and noted:

> *S-corporation banks that do not have a holding company do not appear to be bound by the Vainisi case. If you have an S-corporation bank without a holding company … you should consider continuing to exclude the TEFRA interest disallowance. The Vainisi case was specific to Qualified Subchapter S Subsidiary (QSub) banks. Somewhere down the line a legislative fix could be enacted that would require the disallowance to apply to all S-corporation banks but, until then, the interpretation of the law in this decision does not appear to apply to S-corporation banks without a holding company.*

Pomeroy recalled receiving this detailed information only from CBW. “Our CBW dues have been justified for the next 20 years!”

Equity Fund Invests in CFC

MILWAUKEE—Lakeview Equity Partners, LLC, recently announced an investment in CFC Technology Corporation, LLC, Plymouth, Minn. CFC is a CBW associate member that sells, hosts, and supports a diverse range of products and services for financial institutions, including check imaging and remote deposit capture, data recovery solutions, business continuity solutions, and technology infrastructure consulting services.