POSSIBILITIES

INSIGHTS FOR FINANCIAL INSTITUTIONS | FALL 2018

INSIDE

CONVERSATION WITH DON COFFIN

Possibilities recently sat down with Don Coffin, CEO of Bankers Trust in Iowa, to get his thoughts on the current state of banking.

POSSIBILITIES: Bankers Trust just celebrated its 100th anniversary in 2017. How did you celebrate and what are the keys to that kind of long-term success?

Don: We focused our year-long celebration on three key things: thanking employees, engaging our customers and giving back to our communities. We kicked off our Centennial with employee events and gave each employee $100 to keep and $100 to give away as a charitable contribution, which expressed a lot of our values. We also had a goal of 17,000 volunteer hours for the year and blew that goal away, hitting more than 18,000 hours. In total we held about 17 different events in the communities we serve, and more than 4,000 people joined us throughout the year. We partnered with a nonprofit at each event and provided them with a $1,000 donation. We built our theme, "100 Years of Trust" into our advertising and showcased our customer relationships, which have been so important to the success of the bank and its history.

In terms of keys to long-term success, for us it's in our name, Bankers Trust. It's about keeping that trust and earning that reputation. Our mission statement is reasonable profit, ethically earned. Achieving that revolves around trust and is the key to forming and keeping strong, long-lasting relationships.

POSSIBILITIES: What do you think are the major concerns facing community banks in 2018?

Don: Rate changes will likely be a concern for a couple reasons. They will potentially affect the quality of a community bank's portfolio. If we have three or four more hikes and borrowers—who are used to paying at 4 percent—are now paying at 6 or 7 percent, that's a different model, and one that could cause some past dues on a bank's balance sheet. Rate changes could also have an impact on the deposit side as well because at zero rates, people may keep more money in a checking account or money market account while they wait for an investment opportunity. As rates rise, those investment opportunities may increase and they won't keep as much money in those deposit accounts.

In Iowa and the Midwest, another area we keep a close eye on is the ag economy, while Bankers Trust is not directly exposed to ag production, we certainly have a number of clients that are in the agribusiness sector and are either customers of, or suppliers to, someone who is in ag production. There's definitely a waterfall effect from ag producers to what will affect us in the future, and that's always a concern for us.

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ABOUT DON COFFIN

Don Coffin is chief executive officer and president at Bankers Trust, a position he assumed in January 2018. Prior to being named CEO and President, Don served as Chief Lending Officer where he managed an experienced team of lenders with a total loan portfolio exceeding $3.5 billion. He joined Bankers Trust in October 2008. Don is active in a number of community organizations, and in June 2011 was awarded the Individual Governor's Volunteer Award for his 20 years of service to Easter Seals Iowa and Camp Sunnyside; and he received the organization's first annual Bob and Billie Ray Board Leadership Award in 2012.

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VANILLA ICE CREAM

It's true. It's uncommon for interest rate risk (IRR) to be the main driver underlying a bank's failure. Even more so for community banks, whose balance sheets share the same characteristics with vanilla ice cream. Nonetheless, the regulation side of the industry equates a dynamic interest rate environment with risk, and as a result, examination findings surrounding having an independent IRR review performed are running rampant. The results of the steadily increasing number of these reviews we performed over the last year have yielded some trends. Take a look and consider implementing these common suggested enhancements to boost the value of your bank's IRR management program, if you haven't already.

Incomplete or Outdated Policies

This one is essential. Even more so given the true purpose of a bank policy, which is to communicate the directorate's risk tolerance and guidance to the bank's senior management team. It's challenging to perform an audit, a directors' exam or an IRR review when the bank's IRR policy hasn't truly been updated to reflect its IRR management practices. Let's use the Gap measure as an example. Many banks still use Gap to measure IRR, and many have transitioned away from this tool to using earnings-at-risk and economic value of equity simulations. Is your bank in the latter category? If so, does your policy still include a few paragraphs about Gap? It probably shouldn't.

Bonus tip. There's been a great deal of chatter in the industry about the regulatory agencies requiring banks to have an independent review of their IRR management practices performed annually. However, interagency guidance does not explicitly specify the frequency for these reviews. Those who know me well know I'm not an advocate of the one-size-fits-all approach to regulation. I believe some banks truly need an independent IRR review at least annually because of their IRR profile or the amount of customization allowed by their IRR model. If your institution doesn't fit into this category, try formalizing the frequency in which the bank will have an IRR review performed in the bank's IRR policy. What frequency is the board comfortable with? 18 months? Every two years with a caveat for an increased frequency if the bank's IRR profile changes? I suggest formally documenting this in policy and then following policy.

Model Results Versus Established Risk Parameters

Do you know how many IRR models there are available on the market today? Yeah, neither do I. What I do know is that some models do a stellar job at comparing the results for the various scenarios simulated against board-approved risk tolerances outlined in policy, while others don't. What does your model do? What is your model capable of? Given the board's overarching responsibility for the bank's risks, they should be regularly reviewing this comparison quarterly, at minimum.

Outdated Assumptions

Some IRR models are so customizable that a bank can change the key driver rate assumption for each general ledger account. Other models request a few simple inputs each quarter to run. And some models fall in between the two extremes. When was the last time your ALCO reviewed model inputs and assumptions? Has it been a few years, perhaps prior to when rates began to climb? If so, it's time to revisit these to ensure they still make sense and mirror your bank's characteristics. After all, as we've all heard before, "garbage in, garbage out."

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WHAT YOU DON'T KNOW: COMMON IT PROBLEMS FOR COMMUNITY BANKS

Community banks can suffer from a variety of information technology issues, from cybersecurity and software patching to system back-ups and regulatory concerns. But perhaps one of the most glaring issues we find with many community banks is that they simply don't know they have a problem to deal with.

Many banks rely heavily on a third party for their IT work, which is understandable given their resources. However, banks also need to know how to double check that third party's work, and that is often where the gaps exist.

COMMON SCENARIOS

An example of this we've seen at many banks is with security cameras and security access systems, particularly if the bank has gone through a replacement of their security systems through a building project or acquisition. Many times, those cameras and/or locks could be easily accessed by anyone who can plug into a network port at the bank because, while the security system vendors may or may not have created user logins for the bank, they have left the admin accounts at default or the admin passwords blank.

In one instance, it took us about a minute total to scan a $300 million bank's network with a free tool and find and access some interesting devices with a web browser. We then put the brand and model number into Google and found the default admin user and password, which allowed us to log in with complete administrator access. The security officer at the bank had been told by the security company that the devices were not accessible from anywhere except at their PCs, using a special program. They were understandably frustrated with and grateful for our discovery.

Software patching also continues to be a problem at many banks, especially when a third party is responsible for it. Patching problems include Microsoft apps and Windows itself, but it is also a big problem in non-Microsoft apps like Java, Adobe Reader, Adobe Flash Player, and others that we use when surfing the web. The vulnerabilities in these apps have been exploited in many of the biggest breaches we've heard about worldwide in the past decade.

OTHER SYSTEMS AT RISK

There are also other types of systems where vendor default credentials are frequently left in place, making unauthorized access to systems and confidential data a trivial matter. These can include storage systems, scanners, phone systems, network switches and routers, among others. Access to these systems could give a person the power to delete much of the bank's data, or to disrupt network operations. Smart TVs or electronic signs can also be hacked easily, giving someone the chance to display malicious content in lobbies, offices or on outdoor signs.

GAIN PEACE OF MIND

Carefully performed vulnerability assessment and security testing can help you know that your bank is getting its money's worth from its IT investment. The goal of such an assessment is not to question or challenge the relationship you have with your vendors, but rather gain confidence your technology and information is being handled in the safest possible manner.

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WORKING THROUGH CECL: A BANKER'S PERSPECTIVE

The impact of the current expected credit loss model (CECL) is still hard to determine, and it looks like banks will have a few years to iron out many of the details. Still, the time between now and the implementation date should be used wisely. Possibilities sat down with Jody Eddy, cashier/controller at Reliance Bank in Faribault, Minn., to ask how her bank has been working through its CECL model.

POSSIBILITIES: How has the process of dealing with CECL been for your bank?

Jody: The last year hasn't been too much of a burden. It helps that we chose a prepared solution for our CECL model, so we didn't have to build it ourselves. There's still tweaking involved, but that would be the same for any bank, like figuring out what buckets we need to analyze independently, or working through certain lines of credit. It's not easy, but it's been a good process. It takes time, and having to wear many hats means I have to work on it a little at a time. So more work to do on it, but it's nice to have it built and just have to fine tune it. Hopefully the workload will be more front-loaded, and the quarterly updating will be much easier.

POSSIBILITIES: Did the bank form a CECL implementation team?

Jody: Not officially, no. Dan Bonneur, our senior lender, myself and a finance team member have been working on it, but we didn't create a specific team. We're a smaller bank, and it's just Dan and myself who complete the allowance for loan and lease losses (ALLL), so it made sense that we work on CECL as well. We didn't see a need to bring in more people who were not familiar with the process now.

POSSIBILITIES: How much time and effort did it take the bank to gather the historical loan origination and loss data necessary to populate your CECL model?

Jody: We worked at it a little at a time. Starting at the beginning of the year, myself and a staff member in finance went through it and pulled data from what we already had in board reports and call reports. Most of what we needed we had in other places, so most of our time was spent pulling it all together.

POSSIBILITIES: What were some of the factors the bank used to determine the loan pools for the model?

Jody: We just stayed with the same format. Currently we're doing it by purpose code for our ALLL, so we're using purpose code as well for CECL. I think that makes it easier to match them up and compare them.

POSSIBILITIES: How often do you update the model and how much time is involved in the update?

Jody: We'll probably be updating the model quarterly. We run our ALLL quarterly, so our plan will likely be to match them up at that time. We've only done that once so far, but that will be our plan and we'll tweak and do more if we need to in the future.

POSSIBILITIES: How many years back could you go to get the historical loan data for the CECL model and was it readily available in your core system?

Jody: We are only 11 years old as a bank, so we didn't go back all the way to the beginning because there wasn't a lot of data to pull in those first couple years as a new bank. For the most part, we pull monthly reports so we had most of the data we needed in report format. Because we're a smaller bank, we didn't have that much data to dig through.

POSSIBILITIES: FASB recently issued an exposure draft delaying the effective implementation date of ASC 326 for non-PBE's until after Dec. 15, 2021, and interim periods within those fiscal years. Since this is likely to be approved, does it influence your implementation plan?

Jody: Not really. We completed this a few months ago and we'll try to run it parallel with our ALLL the rest of this year and probably next year, and we'll decide from there where we go. So the extension hasn't really affected anything for us because we have it built and we're just going to run with it and see what it looks like.

POSSIBILITIES: One of the significant challenges banks will face with the implementation of CECL is determining what data they will be using to assist with the forecasting of future losses. How has the using a prepared CECL model helped in determining the qualitative factors relating to current conditions and reasonable and supportable forecasts?

Jody: Having that format built out for us is very helpful. The qualitative and environmental factors are ones we have to tweak and update for our specific bank. That's one thing we're working on now that we have the data in the model. It's nice to have the factors and examples built into the model. We've pulled some factors from our previous ALLL, and we need to work on those to make it really effective.

POSSIBILITIES: Has the bank discussed the CECL model with their regulators and if so, what has been the reaction from the regulators?

Jody: We just had FDIC here in June and they didn't ask about CECL at all, so no discussions yet.

POSSIBILITIES: What types of education has the bank implementation team been involved with to ensure an adequate understanding of CECL?

Jody: It's been a hot topic for a while, and I've been to a few different Minnesota Bankers Association seminars targeted toward financial people that have had segments on CECL. Dan has gone to the Eide Bailly Bankers Seminar and other similar events that have had information, as well. There seemed to be a lot of discussion right away about gathering your information and figuring out a methodology, but now that we have that, I'd like to just play with it and get a handle on what we are doing before I look for more learning events.

POSSIBILITIES: If you were a community bank that has not started the process of looking at building or purchasing a CECL solution, what piece of advice would be the most helpful that community bank based on the work that you have done so far?

Jody: I would suggest finding a vendor that you know and trust and look closely at their solution. Because to try to build something on your own is a huge time commitment and difficult. I'd encourage them to find someone trusted who they can work with and provide a starting point now, because it does take time to gather, input and adjust the data for your institution.

ABOUT JODY

Jody has been cashier/controller at Reliance Bank since 2009. Before that, she worked at Community Resource Bank in Northfield, Minn., as its finance officer.

INDUSTRY WATCH
THE IMPACT OF REGULATORY RELIEF

The push for the passage of bill S.2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, was inspiring—so many in the industry joined together to right the perceived wrongs of the Dodd Frank Act with the primary focus being the reduction of unnecessary regulatory burden. As with every bill passed in Washington, there is at least one hidden consequence that ultimately reveals itself at some point after the fact. We anticipate that will be increased merger and acquisition activity for S.2155. Some in the industry will see this consequence as a positive aspect of the bill, while others will see it as a negative, which is simply the result of the democratic workings of our nation.

One could argue the most significant beneficiaries of S.2155 are the regional banking organizations (RBOs), those over $10 billion in assets, and (now) under $100 billion. Even those under but close to the $10 billion mark are likely major beneficiaries. Given the laxing of Dodd Frank stress-testing requirements among other key S.2155 provisions, expansion through not only the traditional organic growth but also M&A activity is more appetizing. The intimidation factor of increased supervisory scrutiny for RBOs has diminished. If we are to see increased consolidation activity within the RBO segment, where does that leave the industry as a whole? Will we see an increased number of RBOs or larger RBOs? And what about the future for the community banking organizations?

Anyone tenured in the banking industry knows there are countless factors considered when making the decision to buy or sell a bank. The amount of regulatory burden is only one of them. Nevertheless, S.2155 opened doors for increased consolidation in the industry. And only time will tell how all this shakes out, and how the everyday consumer, as well as the industry, are ultimately impacted by S.2155.

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CONVERSATION WITH DON COFFIN

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POSSIBILITIES: How is the current regulatory environment affecting your bank?

Don: We've had significant increases in our compliance costs in the last several years, so I'm cautiously optimistic about the talk of softening some regulations. We just need to do what we do and be as compliant as we can because the cost of noncompliance is exponentially more than the increases we've already dealt with. I'm glad we're having a conversation about regulations because, in my opinion, all these regulations were designed with good intention. I'm just not sure if they accomplish what they set out to do. For example, there was already a lot of paper involved in a mortgage, and I'm not sure adding more paper improves that experience. What does that really protect? Overall though we want to make sure we're doing things the right way and we have a great relationship with our regulators. It's definitely a relationship we embrace.

POSSIBILITIES: You've been in your role as CEO for just under a year. How are you adjusting to the role? What has been your focus these past months?

Don: I was named president in March 2017 and CEO at the end of 2017. In general, I feel the transition has gone well, and we'd been working on this succession plan for quite some time. When I stepped into this role, I spent a lot of time meeting with employees and talking about our future. As you might expect, they had a lot of questions about what was going to change. In some ways, we've changed a lot in the past year, but we were already making changes because we've had a lot of growth in the last three years. One area we've focused on is process improvement because I want to make sure our process ensures our customer service stays the same and we serve customers with the honesty and integrity to keep them. I've continued to focus on employee relationships. Our recent employee engagement survey results were very strong and 97 percent of our staff completed the survey. Those numbers speak volumes to me about our culture. One thing I make sure to point out is that our vision, mission and values have not changed.

As for the future, I've been vocal about not picking a specific number when it comes to growth strategy. I'd rather we focus on making sure we're doing everything right and keeping that trust and that reason for banking here. If we do that, growth will happen. I'd like to see us improve our processes so we can keep our service levels high while we grow. That attention on service goes down to all levels of the organization, and our people believe in it. Everyone in our organization is mindful of maintaining our customer service level and being the best bank we can be, regardless of our size. Lots of banks talk about valuing high customer service, but not many actively engage in improving that.

POSSIBILITIES: How do you ensure your bank attracts the best talent for the future?

Don: It may not sound important, but it's protecting the brand of Bankers Trust. People know what it stands for, they trust us, and that's a big part of attracting and retaining the best talent. Our mission statement resonates with our employees just as much as it does with our customers. We focus on our engagement survey and what we are doing to benefit employees. We have a great intern program and get introduced to a lot of young people that way. We have a Next Gen committee that helps us attract and retain the younger generation, both in terms of customers and employees. We've invested in technology to be sure we have the tools the younger generations want.

People know us as a great place to work, and when you're competing in markets with low employment rates like we are, you need to be a brand and a company potential employees think of first.

POSSIBILITIES: How can community banks ensure they have a successful future?

Don: Succession planning and developing people are very important. We just talked about ways to get the younger generation in the door, but you have to keep them as well. You have to be willing to adapt to how you treat them. When I started in banking, an employee maybe had a review once a year. Now we have a lot more discussions about development with all our employees throughout the year. Succession planning then becomes a great tool to show them what they can be in banking and help them achieve what they aspire to do.

Also, don't take success for granted, and don't take your customers for granted. Go out and earn it every day. Maybe I'm old-school, but taking care of your customers means something, and it's hard to get that on a website or your handheld device.

FINANCIAL INSTITUTIONS CONTINUE TO BE A TARGET OF EMBEZZLERS

Every day it seems there is a news story regarding a former bank or credit union employee being charged and/or sentenced to some form of incarceration and/or probation due to fraud. Maybe this continued activity can simply be explained by a comment William Francis "Willie" Sutton made famous in 1952 when he was asked the question, "why do you rob banks?" Willie calmly replied, "Because that's where the money is."

In the "2018 Report to the Nation" issued by the Association of Certified Fraud examiners, the top four leading schemes seen in the banking and financial institution industry are:

1. CORRUPTION
2. CASH ON HAND
3. CASH LARCENY
4. CHECK AND PAYMENT TAMPERING

The report also lists the median loss for this industry to be $110,000.

DANGEROUS THINKING

Some individuals in the industry may look at this loss amount and say to themselves, $110,000 is not material, and in the grand scheme of things, we must be doing things right to prevent fraud. The issue with this line of thinking is that it can lead to the seven most expensive words in business becoming established in your company—"We have always done things that way." Besides, this $110,000 is a "median" loss and this amount could be some vulnerable adult's entire life savings. The loss is very material to them and their whole world could have just been turned upside down.

We must all realize that staying on top of our profession requires an open mind and a realization that as time passes, everyone has a habit of becoming comfortable in their job and risks the possibility of slipping into that "comfortable" place of being content and thinking fraud will never happen. We all work with great people we "trust," and we believe our "trusted" employees will conduct their duties to the highest standards and with the greatest integrity.

However, as we all know, this is not always the norm. It often comes as a shock, as shown in a recent article about a California bank manager who plead guilty in an embezzlement case. A senior vice president of the regional bank was quoted as saying "we are devastated by the news and we are saddened by the impact on the community, our customers and our employees." The subject involved in the $115,000 embezzlement was the former branch manager and plead guilty to four counts of grand theft.

CREATE THE RIGHT CULTURE

So how do we stay focused on reducing the impact of fraud on our community, customers and employees? The answer is not complicated, but at the same time, it can cause complications. The answer is to make sure employees at all levels of the organization follow the internal controls established by properly segregated duties, hold everyone accountable for their actions and routinely review the established internal controls to confirm compliance by all employees. By doing so, your organization will create a culture of zero tolerance and elevate the perception of detection, which is the most effective fraud deterrent.

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CUSTOMER/ENHANCED DUE DILIGENCE AND OTHER RECENT BSA CHANGES

Risk is inherent in any financial institution. Some institutions have a large appetite for risk; others may not. To mitigate federal regulatory scrutiny, every compliance program should provide for effective management of these risks.

Customer & Enhanced Due Diligence (CDD/EDD)

Every institution's Bank Secrecy Act/Anti-Money Laundering program should provide a policy and procedures for identifying the level of risk associated with each new account relationship. As part of an institution's Customer Identification Program, institutions should retain sufficient information to reasonably predict what kind of transactions are to be expected during a given period of time for any account and assess a meaningful rating of the relationship. Factors to consider may include, but are not limited to, expected account activity, type of business, geographical location, and common or public knowledge.

Once a new account is established, the Federal Financial Institutions Examination Council recommends "periodic risk-based monitoring of the customer relationship to determine whether there are substantive changes to the original Customer Due Diligence Information." Although this guidance fails to articulate a bright-line rule, the examination manual leaves this provision open as to the applicability to individual financial institutions, their products and services, client base, and appetite for risk.

Beneficial Ownership

On May 11, 2018, the Beneficial Ownership provision of 31 C.F.R. § 1010.230, known as "Customer Due Diligence Requirements for Financial Institutions," became effective. The rule requires all covered financial institutions to adopt and implement written procedures for the identification and verification of beneficial owners of legal entities for all new account relationships.

Specifically, the rule requires financial institutions to identify and verify (or attest to) the identifying information of any direct or indirect beneficial owner, possessing at least a 25 percent ownership share of any legal entity. In addition, covered institutions must identify a "controller," or "a single individual with significant responsibility to control, manage, or direct a legal entity customer" (CEO, CFO, president, vice president, manager).

Regulation 31 C.F.R. § 1010.230 does not require a specific form for financial institutions to document this information, however Appendix A of the regulation provides a certification form that can be used or modified to an institution's specificity.

Issues with the Beneficial Ownership Rule

Since the rule's publishing in May 2016, FinCEN has produced three FAQs. The following are a few areas of note:

- The rule applies to all new account relationships of legal entities, not just new customers.
- If a legal entity is owned in-whole or in-part by another legal entity, it would be necessary to "drill down" the ownership of these companies to properly identify beneficial owners.
- On Sept. 7, 2018, FinCEN granted exceptive relief for certificate of deposit rollovers, loan renewals, modifications, and extensions, commercial lines of credit renewals, modifications, and extensions, (if revised underwriting or approval is not required), and safe deposit box renewals.
- There is no requirement for obtaining beneficial ownership information retroactively, or prior to May 11, 2018.
- Covered institutions are not required to update beneficial ownership information through periodic reviews, absent any risk-based concerns.

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COMPLIANCE HELPLINE Q&A

Q: The Economic Growth, Regulatory Relief, and Consumer Protection Act amended the HMDA requirements and our bank meets the new exemption. Can we stop reporting HMDA now?

A: Institutions are exempted from reporting only the new HMDA data elements that were added in the 2015 Final Rule that went into effect January 1, 2018, provided they meet the exemption requirements. Institutions are exempt from the collection, recording and reporting requirements for those data points. The CFPB expects later this summer to provide further guidance on the applicability of the act to HMDA data collection in 2018. Until further guidance is issued, you will continue to collect and report HMDA as you are currently. ■

We recommend you refer to your specific state's statutes for requirements in your state.

COMPLIANCE HELPLINE AVAILABLE TO CLIENTS

Clients appreciate our Compliance Helpline, which is staffed by compliance professionals who have an average of 18 years of industry experience. These professionals respond to questions immediately, or within 24 hours if research is needed.

The Compliance Helpline can be reached Monday through Friday 8 a.m. – 5 p.m. at:

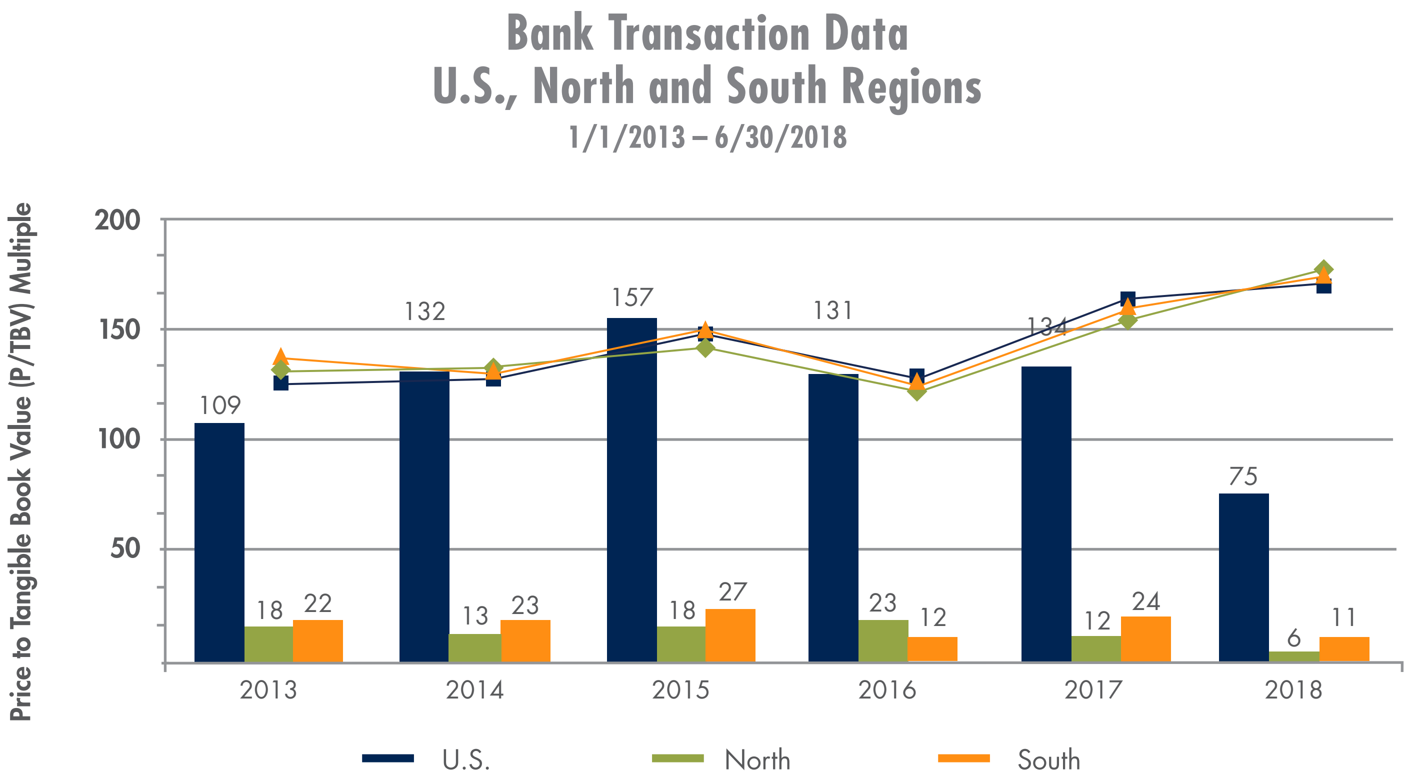
855.239.8676
compliancehelp@eidebailly.com

2018 Compliance Calendar

	Regulation	Description
October 1	Regulation Z Truth in Lending Act TRID Clarifications	The CFPB issued several amendments to the TRID Rule setting forth guidance, clarifications and technical corrections on a number of disclosure requirements. Mandatory compliance for the TRID amendments was October 1, 2018.

M&A Corner

The following data were compiled from information provided by S&P Global Market Intelligence. The data include all completed transactions reported with pricing information available for the time period January 1, 2013, through June 30, 2018. The data for the North category include all completed transactions reported with pricing information available in Idaho, Iowa, Minnesota, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, Wisconsin and Wyoming. The data for the South category include all completed transactions reported with pricing information available in Arizona, Colorado, Kansas, Nevada, New Mexico, Oklahoma, Texas and Utah. The data did not include any government assisted transactions, branch acquisitions, or savings banks/thrift transactions.



The bar graphs represent the number of transactions for which we have pricing data. In addition to the transactions summarized in the chart, there were 410 transactions in the U.S. since the beginning of 2013 for which pricing data was not included. Of those, 139 transactions were in the North region and 91 were in the South region.

	North	South
Geography	The transactions completed in 2018 were headquartered in Iowa, Minnesota, Montana, North Dakota, Nebraska, Washington, and Wisconsin.*	The transactions completed in 2018 were headquartered in Colorado, Kansas, New Mexico, Oklahoma, and Texas.*
Target Size	Nine of the 15 banks sold through June 2018 had assets less than $100 million, while one bank had assets greater than $1 billion.*	Nine of the 24 banks sold through June 2018 had assets less than $100 million, while one bank had assets greater than $1 billion.*
Multiples	The average tangible book multiple through June 2018 was approximately 1.94, representing the highest average multiple in the North region from 2013 - 2018.	The average tangible book multiple through June 2018, of approximately 1.82, was the highest average multiple in the South region from 2013 - 2018.

**includes transactions for which pricing data was not available.*

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HERE TO STAY

38th Annual Eide Bailly Bankers Seminar

TUESDAY, OCTOBER 30, 2018
Delta by Marriott, Fargo | Registration at 11:00 a.m. | Meeting at 12:15 p.m. (CDT)
Live Streaming Available in: Bismarck, Billings, Denver, Oklahoma City, and Tulsa

THURSDAY, NOVEMBER 1, 2018
Verizon Wireless Center, Mankato | Registration at 12:30 p.m. | Meeting at 1:00 p.m. (CDT)

WEDNESDAY, NOVEMBER 7, 2018
Hilton Garden Inn, Sioux Falls | Registration at 12:00 p.m. | Meeting at 1:00 p.m. (CDT)

THURSDAY, NOVEMBER 15, 2018
West Des Moines Marriott | Registration at 11:30 a.m. | Meeting at 12:45 p.m. (CDT)