

# Howe Barnes forms alliance with community bank group

By **Mary Wisniewski**  
*Business Reporter*

Like sports teams adopt official soft drinks, the nation's largest group of community banks now has an official investment bank - Chicago's Howe Barnes Investments.

A subsidiary of the Independent Community Bankers of America formed a partnership with Howe Barnes to offer capital market services to ICBA's 5,000 members.

Howe Barnes executives say they expect the agreement with ICBA Securities will grow their 90-year-old firm. Howe Barnes has already hired three new salesmen, and plans to add bank analysts, investment bankers and financial advisers to deal with the expected increase in business.

"It's a pretty exciting growth trajectory," said Daniel E. Coughlin, president and CEO of Howe Barnes. "It's a big initiative for Howe Barnes."

Howe Barnes was a good match for ICBA, because it has focused on community banks with assets of between \$200 million to \$5 billion since 1992, said Coughlin, a former Federal Reserve bank examiner. "It's become the largest profit center for the firm," Coughlin said.

Coughlin said Howe Barnes will be a "preferred provider" for the ICBA.

"It's a service element that they want to provide their members - someone can come to us with a higher degree of comfort that we'll follow through and do a good job because we have this affiliation," Coughlin said.

ICBA Securities will receive a share of what its members pay Howe Barnes. Most of what ICBA Securities earns will be returned to the national and state ICBA associations.



**Daniel E. Coughlin**

Services Howe Barnes can provide to ICBA banks include market making, research, valuations, educational seminars and merger and acquisition advice, as well as the underwriting and private placement of equity, debt, and preferred offerings. About 600 ICBA members are publicly traded.

"Our members have grown in sophistication and size and have needed to maximize their franchise value," said Jim Reber, ICBA Securities president and CEO, who said Howe Barnes was chosen after a due diligence search. "We decided Howe Barnes was absolutely the best fit by virtue of the fact that they have a strong foothold in the community banking community already."

The affiliation with ICBA should raise Howe Barnes' exposure nation-wide, said Allen Koranda, CEO of MidAmerica Bank, which is not an ICBA member but has done business with Howe Barnes.

Leading the ICBA effort for Howe Barnes is Bill Sammon. Sammon was an institutional salesman with Howe Barnes for 10 years, dealing exclusively with community bank stocks and telling the banks' stories to institutional and individual investors. Howe Barnes currently trades 275 community bank stocks.

Coughlin said that despite consolidation in the banking industry, community banks continue to do well against big players, because of their focus on the community and better service.

"They know their customers so they're doing well in terms of building market share against that 1-800 mentality those megabanks have," Coughlin said.