As community banks enter new phases in their business life cycles and mature into different asset and deposit configurations, they often develop needs related to their capital that require professional assistance. This specialized need should come as no surprise considering most everything else on the balance sheet (and income statement), through competitive or regulatory pressures, requires some type of third-party outsourcing, or at a minimum, advice.

Asset/liability management, wholesale funding, policy development and bond swap analysis are a few that come to mind.

After months of due diligence and negotiation, ICBA Securities has joined forces with Howe Barnes Investments Inc. of Chicago, an experienced investment banking firm, to specifically provide capital markets services to our members. The company specializes in raising both public and private capital, providing financial advisory work and performing equity research for community-based financial institutions.

LEARN MORE

Upcoming ICBA Webinars, as well as articles in Independent Banker, Strategic Insight research reports, seminar and conference updates in ICBA Securities’ brochures and contact with your ICBA sales representative can all help you learn more about Howe Barnes’ services. Or call (800) 422-6442.

GETTING IN GEAR

A result of its interaction with Howe Barnes Investments Inc. and the capital markets, the independent community bank referred to below continues to provide valuable services in its local community.

- Twelve years ago, the $125 million-asset community bank in Iowa was sponsored by Howe Barnes on the OTC Bulletin Board to increase its visibility and liquidity. At the time its market capitalization was about $15 million.
- Twenty-one months later, the bank, via an initial public offering, successfully raised $10.5 million in capital, increasing its market cap to $30 million.
- Three months later, Howe Barnes initiated research coverage of the bank. Howe Barnes has issued 11 such research reports on the bank.
- Five years later, the bank was advised by the investment banking segment of Howe Barnes on an acquisition of another publicly held bank holding company. The acquisition pushed the bank’s assets to $486 million.
- Three years later, Howe Barnes assisted in a $10 million trust-preferred issue, which helped fund the bank’s growth to $537 million in assets and $65 million in market capitalization.
- Today, two years later, the bank has $624 million in assets and market capitalization of $70 million.
Here are three examples:

• Howe Barnes currently makes a market in 258 community bank stocks and has added 43 stocks in the last 15 months. The coverage is geographically diverse, with representation in 26 states.

• Its investment banking segment includes a wide range of services and a high degree of flexibility for a customized fit. Private and public capital-raising, mergers and acquisition advice, management buyouts, business valuations and fairness opinions are a few examples of its corporate finance portfolio.

• Howe Barnes publishes research on 66 banks, over half of which it is the leading market maker. The firm plans to expand the research coverage significantly as its client base grows.

Among the Howe Barnes team that will be visible to ICBA members are Dan Coughlin, president and CEO, and Bill Sammon, first vice president and director of Capital Markets. Coughlin and Sammon are making themselves as accessible as possible to get our message out to our customers regarding ICBA Securities’ capabilities. Included in this effort will be a series of Webinars conducted through the ICBA Education Department, multi-day conferences in key cities across the country, and on-site visits to the Chicago offices for investor presentations.

Howe Barnes’ capital market activities for ICBA members will be conducted through the ICBA Securities label; therefore, the investor safeguards in place for fixed-income transactions will exist for these activities as well.

Jim Reber is the president and CEO of ICBA Securities, a broker-dealer in Memphis and a member of NASD and SIPC. Reach him at jreber@icbasecurities.com.