

## **Interesting People**

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Gordon D. Honegger  
Co-Chairman of the Board of Directors  
of Hometown Community Bancorp.

## Interesting People

MCB

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- Historical
  - Your involvement: 1972
    - Godfather released; Apollo 17: Moon
    - Assets, seven employees, location, ownership
    - Martin Foods grocery
    - Old world look
- Current largest privately owned bank
  - Holding company
  - Assets, employees
  - Locations/banks
    - Warren, McDonough, Mason, Tazewell, Peoria, Woodford, Marshall
  - Ownership
    - Private
    - ESOP: 30% owned

## Interesting People

## Education

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- Academic
  - Forest High School
    - Football/line
  - University of Illinois
    - Agricultural economics
  - Purdue
    - Ph.D. agricultural economics
      - Farm simulations
      - What ifs
- Teaching
  - Purdue
  - Southern Illinois
    - The purchase of corn contract

## Interesting People

# Forest, Illinois

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- Original population: 1,000
- Current population: 1,225/344 families
- Median income: \$40,677
- Toledo, Peoria and Western Railway
- August of 1888
  - Excursion: Peoria to Niagara Falls
    - 200 people killed

## Interesting People

## Family

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- Father
  - Honegger Feed Co., Fairbury
- Mother
- Siblings
- Spouse: Jean Ann
  - Your first date
  - High School English teacher
  - Illinois State University
    - Education
  - Purdue
    - Masters
    - Education
- Children
  - Andy: attorney; Peoria
  - Daughter: radiologist; San Francisco

## Interesting People

# The Adolescent Gordon

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- When did you first discover your entrepreneurial eyes
  - Convergent brain
  - Divergent brain
- Passions
  - Travel
  - Why banking?
  - Sports
  - Academics
- Fondest childhood memory
- Happy alone in your own skin

## **Interesting People**

# The Adult Gordon

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- The experience that changed the course of your life?
- Passions?
- Non-professional interests?
- Your day job pleasurable?
- The meaning to you of your day job?
- How much, if any, dysfunctionality is just enough to allow you to succeed?
- How do you handle the absence of failure?

## **Interesting People**

# The Thought Process

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- The summer vacations
- Preparation
  - Alone vs. isolated
- Information considered
- The pain/coming down

## Interesting People

# The Stress Test: Bank Failures

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- Illinois: first place in #; 650 banks; Geo, 325
  - Last to allow branch banking; 1990s
- IndyMac and Countrywide
  - High priced certificates of deposit
- Why not MCB?
  - ROE among the top 20
- Free Services
  - Money orders, cashier's checks, checking, notary, wallet, financial planning, newsletter, direct deposit, copying, Internet banking, monthly hospitality days
  - Free shredding day
- Morton Pumpkin Festival
  - Ben Franklin: "Penny saved is a penny earned"

## Interesting People

## MCB: Growth

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- Alpha acquisition: ESOP
- Bank failures: John Warner Bank; Corn Belt
- Citizens National Bank, Macomb
  - \$240 million in assets, 36<sup>th</sup> bank failure
  - \$200 million in brokered assets not acquired
  - FDIC loss: \$106 million
- “Bank failed as a result of out of area broker deposits and that money was invested in mortgage backed securities and commercial real estate loans” Marvin Payne, FDIC
- Gordon’s observations
  - “\$120 million of capital; \$50 million in capital, 50% owned by the ESOP before a depositor would lose a dime, employees must lose about \$50 million

## Interesting People

# MCB Financials, et al.

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- Rankings
  - Community banks
  - Listed banks
  - Negative growth rate: 5.95%
    - Insured banks: 2007
- Objectives
  - Asset size doubles every five years
- Philosophy
  - Buying money, selling money
  - Loans average \$10-15 million per week
    - Cars, homes, boats, small businesses

## Interesting People

# Attitude Philosophy

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- Attitude
  - Employee ownership
  - Green eyes
  - 1968 (Andy) family vacation, photography, home, all locations
  - Art gallery each location
  - Old world feel
- Philosophy
  - Lending practices
  - Expectation
    - Jim Mamer/Streator
    - Jeff Boss/Peoria

## Interesting People

# The Business of Predicting the Future of Banking: No. 1

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- Rural depopulation
  - What does it mean for the future economic health of rural areas and the community banks that support them?
- Community banks
  - Their recent past, current performance and future prospects
- The future of banking in America
  - The mixing of banking and commerce
    - Current policy issues
- Consolidation in the U.S> banking industry
  - Is the “Long, Strange Trip” about to end?

## **Interesting People**

# The Business of Predicting the Future of Banking: No. 2

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- Regional and other midsize banks
  - Recent trends and short-term prospect
- The evolving role of commercial banks in U.S. credit markets
- The changing corporate governance environment
  - Implications for the banking industry
- The liability structure of FDIC-insured institutions
  - Changes and implications

## Interesting People

## Closing

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- If you wrote a book, the topic?
- Your worst memory?
- Greatest ambition?
- Wildest dream?
- Ideal day?
- Change the world, how?
- Any fears?
- With whom would you most wish to visit?
- Rewind your life?
- Any person: living or dead?
- Live during any other time?
- Any regret?
- Any topic not discussed which you wish to discuss?