



# AN INNER CIRCLE CONVERSATION ON **BANKING**

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ATTORNEYS

with JOHN GOLDING, TARA HANDFORTH, NEIL HOSTY,  
DAVID NASCA and GARY QUENNEVILLE



ALL PHOTOS: COLIN GORDON

Bank executives talk about business in WNY. From left; John Golding, regional president, Northwest Bank; David Nasca, president/CEO, Evans Bank; Tara Handforth, regional vice president, Wells Fargo; Gary Quenneville, Upstate regional executive, Key Bank; and Neil Hosty, senior vice president, M&T Bank

## Banking on the future

### REGULATORY RELIEF MAY BE NEAR

Plenty of bankers in Western New York anticipate regulatory relief under President Trump. And given his Feb. 3 executive order calling for a review of the Dodd-Frank Wall Street Reform and Consumer Protection Act, they're very likely to get it.

Five banking executives offered thoughts about the new administration during a Jan. 12 Inner Circle Roundtable sponsored by Hodgson Russ LLP. They agreed that easing some regulations would be good for financial institutions.

"There's hopefulness that we

do have some relief on that front," said Tara Handforth, regional vice president of Wells Fargo & Co. in Amherst.

But exactly what will happen and when remain unclear. Trump said he wants to do "a big number" on Dodd-Frank, which was signed into law in the aftermath of the worst financial crisis since the Great Depression.

Banks of all sizes took the brunt of the blame for the crisis, even those far removed from Wall Street.

Reforms included new capital thresholds and compliance

requirements that have created more compliance jobs.

David Nasca, president and CEO of Evans Bank N.A., said he doesn't envision reducing compliance staffers who have been hired in response. Instead, he expects more streamlining under the Trump administration.

Gary Quenneville agreed. The Upstate New York regional executive at KeyBank N.A. said he doesn't expect major changes in compliance infrastructure.

"We have to be ready to adjust," he said.

look at it on a macro level, hopefully there will be some regulatory relief. Secondly, if you look at the stock market, at least the business climate, they believe that a lot of the proposals that Trump already put forward are already priced into the stocks. Most of the bank stocks are up between 22 and 28 percent since the election. So there's a belief that what happened might be good for business. I agree with Gary; I think there's many, many, many unknowns at this point. The other thing is, after the 2008 problems, and Obama was painting banks with a pretty big brush that all banks were kind of tough. The regulatory pendulum shifted hard at that point. So I think there's a belief that the easing of that will help us out.

#### JOHN GOLDING

New York regional president,  
Northwest Bank

The two things you're looking at at this point in time would be regulatory relief and how do we adjust to that. You can only speculate because it's rhetoric that's out there. You talked about the stock market reaction. Banks have benefited from it at this point, so you want to position yourself for that. The other part they're talking about is tax relief. What does it do for the businesses that we bank? One of the things you'll take a look at is how does that affect the economy overall? The big thing is take a look at where it's going to go, how do we prepare for it, to take care of our customers, how do we take care of our bank itself and how to prepare ourselves. I wouldn't say we're in vogue at this point in time, not by a long shot, but I would say that it is good for our industry. It's something that could be a very positive spin for us.

#### TARA HANDFORTH

Regional vice president, Wells Fargo

If I look just from where I started a banking career 20 years to where the regulatory pendulum has swung, it's certainly far different. It adds a lot of time and cost and there's this hopefulness that we do have some relief on that front. From a tax perspective, there's optimism out there in businesses that there's relief coming, and hopefully that can spur some economic expansion.

► **There's a lot of talk about how President Trump might affect the banking industry. What are you anticipating as we go into these next couple of years?**

#### GARY QUENNEVILLE

Upstate New York regional executive,  
Key Bank

I think it's pretty unpredictable right now as to how that's really going to impact our business in terms of regulatory environment or, more importantly, how it's going to impact the clients. As far as Key is concerned, I think this is probably our 40th presidential administration. We'll have to sit back and assess how

it's going to unfold and then react and adjust our business accordingly and figure out how to make money in whatever environment we happen to be in.

#### DAVID NASCA

President and CEO, Evans Bank N.A.

I think there's likely to be some regulatory relief, which will be good for the financial industry. So if we

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**NEIL HOSTY**

Senior vice president, head of retail and business banking, M&T Bank

With M&T, we're celebrating our 160th anniversary headquartered in Buffalo this year, so we have seen a few presidential campaigns. For banks, particularly, it's really important that we stay focused on the community we serve and figuring out how to build sustainability and economic growth and social growth for this community so that we have long-term prosperity. That's where we need to keep our energy, and working with the stakeholders to make sure that we're playing our part and we'll see what the next few years bring. The economy has moved over and back before. The role that we play is critical. If the industry has learned anything from the last eight years, it's had a very important stewardship role in preserving the economy.

► **On regulatory relief, you all spent years putting time, money and effort into these regulations. At this point, if some of that could be undone, is it worth it to undo it for you after all the**

► **CLOSER LOOK AT THE SERIES**

The conversation with John Golding, Tara Handforth, Neil Hosty, David Nasca and Gary Quenneville is part of a series of discussions with business leaders. Throughout the year, decision-makers from diverse Western New York industries meet for discussions moderated by Business First journalists. Excerpts from the conversation are published three weeks after the event. Upcoming topics include transportation, architects & developers, manufacturers, family business and workforce development. The discussions, sponsored by Hodgson Russ LLP, are held at the law firm's Pearl Street offices in Buffalo.

**energy that you've put in?**

**DAVID NASCA**

Evans Bank N.A.

The infrastructure that's been built has probably strengthened banking, so I don't believe you'll see an unwind. What you might see is the compliance with that regulation is more streamlined and more understandable. We're not going to fire auditors and fire regulatory compliance directors. That's a new industry that's going to be around with us for good. We've seen in New York state what optimism can do for the psyche of businesses, and the same thing can happen here.

**GARY QUENNEVILLE**

Key Bank

You can't forget that a lot of the regulatory construction, compliance

construction, was designed to help us as banks get through some really tough times. So I wouldn't expect that a lot of that is going to get unwound. And as we all know, for us it's important to stay close to the regulators, work closely with the regulators to see how you can continue to adjust to the changing environments that we're dealing with. Some of the aspects are really different than they were four, five, six years ago with regard to digital banking and other things that are starting to change the business model. You have to stay really close. We have to be ready to adjust.

**DAVID NASCA**

Evans Bank N.A.

One of the costs, too, is we had to build capital. The industry built capital over the period that we're talking about. That was a huge cost.

If you look at banks today after the crisis, after everything they've gone through, banks have never been better capitalized than now. And that's a cost because more capital impacts returns. You're going to see banks be capitalized the way they are ad infinitum. That's another piece of regulatory cost that you don't really see but that won't unwind.

**TARA HANDFORTH**

Wells Fargo

I would argue it's more about the spirit of it. I think a lot of times, regulations get put through and they have unintended consequences that we interpret what we're supposed to do. But having the right spirit about the regulation, I think, can be helpful going forward.

► **How do you see the economic climate in Western New York right now?**

**GARY QUENNEVILLE**

Key Bank

Thinking about it from a couple different perspectives, one from the bank side and then also as the past chair of The Buffalo Niagara



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Partnership, I think the business community is optimistic about what we're seeing. In particular, some of the commercial real estate development, the revitalization going on in the city, people moving back into the city – those are all positives. Having said that, I think there's a degree still of wait-and-see on how this thing continues to develop.

### ► Do you think we've reached a plateau in development?

#### GARY QUENNEVILLE

Key Bank

No, I don't think so, because as you look around the city, there's still a lot of buildings out there that could be redeveloped. There's still a lot of funding sources that can help in that regard and there's new investments being made, not only in that business but even folks around the table made a lot of investments in the community. It's reason for optimism, for sure.

#### JOHN GOLDING

Northwest Bank

From Northwest, we definitely like what we're seeing in Western New York, especially the Buffalo market. It was the reason for looking at the purchase of the domestic branches through First Niagara, Key. For us, we believe in the area. We're actually looking at more strategic locations for the bank to position ourselves throughout the marketplace. We believe that there's a very talented workforce here. We feel like there is cost of living and the people we can get and everything else kind of fits into the way we're operating our company. And we look at having a



COLIN GORDON

David Nasca has a positive view of the Western New York economy.

good long run, continuing to build out this market.

#### DAVID NASCA

Evans Bank N.A.

We go to these investor conferences and people say, "Oh, you're from Buffalo. You must be real excited." And we always talk about the fact that the psyche has changed and we think that's important. But we think a lot of the investments have been foundational at this point. The governor has put money into things that are infrastructure and foundational, and it's critical for the business climate to continue ramping up and invest behind that. So I always like to say that we think the economy is positive, but it's still fragile. I like where it is right now because you have people willing to make an investment. I think all of us would say this is a good time to be here helping.

#### NEIL HOSTY

M&T Bank

As it relates to the economy, when you look at Buffalo's performance post-recession, we performed probably at the median now of the national economy but the 38th percentile in terms of growth over that period, and a real move toward the new-economy jobs. It's been good to see growth of 10 percent in the number of employee graduates in the city over the last seven years. So positive signs there are offset by the reduction in manufacturing, which has been at a greater rate than the national economy, and obviously significant growth in the real estate sector and construction sector in the last couple years. Just to reflect a little bit on our own industry, interestingly finance and insurance is one of the top growth sectors in Buffalo over the last eight years. We've seen new economic projects that create hope for the future, so I think it's a city that cares about its past and also is trying to invest in its future, and we're excited to continue that.

### ► How do you see Buffalo in comparison to Baltimore, where M&T has a big presence?

#### NEIL HOSTY

M&T Bank

I think the timing is a little different, but if you look at Baltimore's history, Baltimore was also a very strong manufacturing distribution port. So in that way, very similar to Buffalo and its strengths in terms of its strongest decades, it probably mirrored some of Buffalo's history. The Baltimore rebirth happened a little quicker. You'll see that the inner harbor there started to redevelop in the '80s and their drive and interest in the finance and health care were two of the biggest sectors that ended up occupying downtown Baltimore, helping that rebirth from the commercial perspective. We

certainly noticed over the last four or five years that it's a little bit like you need something to spur confidence and everybody thinks something should be better, but nobody is prepared to take that first start. I think a good combination of public and private energy in Buffalo the last five years has really driven some of that change. Millennial growth has been important. After many years of decline, we now see an increase in the 25-to-34 population.

#### TARA HANDFORTH

Wells Fargo

Wells' perspective is we view Buffalo as an expansion market. We like a lot of the characteristics of the companies that do business here. We feel there's good town pull here to help us grow, and economically speaking, if I look at our customer base, we have customers with healthy balance sheets and the ability to grow. Could it be more robust? Perhaps. I think the biggest struggle – I look at companies we work with – is where do you get that growth? So a lot of the discussions are focused on M&A and how that can help them take their business to the next level.

### ► What is your sense about the private sector's involvement?

#### GARY QUENNEVILLE

Key Bank

Dave mentioned Buffalo Building Reuse. I think that's a really great example. The banks came together in that particular instance with \$8 (million), \$10 (million), \$11 million of private funding to support some of the revitalization. Many of us around the table have invested a boatload of money based on what we're seeing going on in the local economy and around primarily Western New York but Upstate New York. You're seeing private companies looking to invest and build here. And as you look around the rest of the Upstate New York markets, you're seeing some of that. A little bit around Albany, somewhat in Rochester, but not to the scale we're seeing here, particularly with investments coming into the area from outside.

#### DAVID NASCA

Evans Bank N.A.

Typically developers are the guys that are sort of risk takers so they're early adopters. They've made some investments in the community, yes, it's multi-family living for the most part. But they've taken buildings that were previously uninhabitable and adapted those buildings for reuse. We need good job growth. There's quality-of-life things that are happening, whether it's the



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breweries and the other things that will help the millennials come back, but then there needs to be multiple companies where people can job hop a little bit so they can do better. You need the IBMs to come here, you need the Googles up in Lockport, you need GEICO to expand, you need Solar City to not blow up. Those are jobs that are meaningful that people can have and they can make a good living wage.

**GARY QUENNEVILLE**

Key Bank

A lot of folks around the business community are circling around workforce development. You're hearing many of your manufacturers having a tough time getting machinists, electricians, skilled labor. That is a big component of the development that we're seeing. We need to continue to organize around funding opportunities, around workforce and sort of get the community focused on where do we go with that and how do we ready employees for these companies are willing to invest.

► **Do you need more access to a better-educated workforce, a better-experienced workforce?**

**NEIL HOSTY**

M&T Bank

We need both. It's been interesting as they've expanded to see what the labor market affords and where we have opportunity. First, there's a wonderful education in the University of Buffalo and the other local colleges that we can tap into. Western New York residents are naturally disposed to staying if they feel there's enough opportunity in the area. When we do our research, we see that Buffalo is a very difficult city traditionally to attract people to if they're not from around here. And I think that is now starting to change. As the city gets known for more prosperity and opportunity, more people will want to come, and clearly people who are here will want to stay. But we have to work on workforce development. We have to develop people to have the skills that we need for the economy. And I think that when you match those two things together, we have more opportunity. I also look at what's happening in the small businesses as an indicator of the future of the city, because long after we get into big development, we're going to have to focus on sustainment. When we look to see what's happening with them, it gives me an indicator of what's likely to happen in the communities that we serve. And what we've noticed is that their demand for credit has increased. They're in a cautiously

optimistic place. Last year was our biggest year for small business and credit expansion in Western New York.

**DAVID NASCA**

Evans Bank N.A.

We value what happens in the community because it's important. Organizationally I would say we're all searching for diversity. We need more participants in the workplace – workforce development is a way, the colleges are a way.



Tara Handforth said there is plenty of room for Wells Fargo to grow in the local market.

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► So we've had some new banks come to the market. Northwest is an example of that. How does that affect what you do?

### JOHN GOLDING

Northwest Bank

I would say that No. 1, competition is good for the consumer; whether it's on a retail side or on the business side, it's a good thing. I think that if you take a look from the products and services standpoint, a lot of us match up. It comes down to how do your products and services match with the groups that you're going after? We came in with 18 branches, \$1.7 billion in deposits, \$500 million in loans. That's different than opening up one or two branches. We like how we're positioned in the market. Small business, that's an area that we're heavily investing in because we think that's a great place to get started with the businesses. About 80 percent of the tax ID numbers that are given to businesses are doing \$2 million or under in annual sales. You want to make certain you have something to match up with that group. It's a matter of positioning yourself and making sure you're covered on both ends of the spectrum.

### DAVID NASCA

Evans Bank N.A.

There's been \$31 (billion) to \$34 billion in deposits in this market for years; that hasn't expanded. The lending has expanded a bit because 85 percent of the businesses are small, middle-market businesses. Some of us have been here quite a long time and I think there are approach differentials in our styles. We're a community bank. We believe that, from that perspective, people want relationships and they want local decision-making. I think people see an opportunity because of the disruption, but I don't think it's going to be as easy as just showing up.

### GARY QUENNEVILLE

Key Bank

Look at that, too, from a different perspective. If you step outside the banking industry and you just looked at any industry segment and you looked at the amount of investment that's being made, whether it's two or three competitors coming into the market fresh or some existing competitors making significant expansion investments, any of that is good for Western New York. So whether it's adding jobs, whatever it is, product sets, we all have our own business models we can talk about.



COLIN GORDON

*John Golding likes the way Northwest positioned itself in Western New York.*

But I think any industry that saw the kind of investment that has been done last year and will be done this year by any industry to this level, I think would be impactful and I think it's good for all of our businesses.

► Does it make you step up your game in any particular area?

### GARY QUENNEVILLE

Key Bank

I don't know if you have to necessarily step up your game. I think we all have our own strategy and business model that we execute. I think we want to stay focused on that and make sure that we execute that as best as we can.

### GARY QUENNEVILLE

Key Bank

We see what's going on with our competitors and it doesn't necessarily cause us to act differently. You would hope you're focused on your business model and you're executing that the best you can, regardless of what's going on with your competitors.

### NEIL HOSTY

M&T Bank

More competition is good for Western New York and good for the industries that Western New York supports, and if banks are choosing to increase or expand in the market, it's a sign of confidence that there's economic opportunity. I think what's really important, though, from a customer's perspective, when you talk to customers about what they care about and business owners in terms of what they're looking for, they want a banking partner that's going to stay with them. They want somebody who isn't going to change strategy and change direction every year. They get frustrated with

name changes; they get frustrated with relationship changes; they get frustrated with disruption. We've seen a lot of names come but we've also seen a lot of names go over the last 160 years, and I think strong, consistent banks are good. We plan on being here for another 160 years.

### TARA HANDFORTH

Wells Fargo

I would argue that the competition makes us stronger as bankers. The name of the game is consistency in our approach to the market. And really, at the end of the day, we're trying to find that place of shared value where we're listening to the client and what we can deliver is of value to the client. That might be different for each and every one of us. It really comes down to listening to the customer.

► Where do you all see yourself in the retail market at this point?

### GARY QUENNEVILLE

Key Bank

When you look at Western New York and the five-county market, we now have 71 branches. There's close to 130 ATMs. As a result of the acquisition, we would expect to continue to be a major player in retail space.

### NEIL HOSTY

M&T Bank

I think what's crucially important, the folks around the table said there are different banking models for different organizations, as you've noticed. Some folks come to the market. We find the branches are a very strong focal point for small businesses. I don't think we'd be able to serve and support the businesses we do if we didn't have a distribution presence like we do. A small

business, any family household, still relies on advice. We've changed our own technology to support customers and see customers move to mobile check deposit and ATM deposit and other services as capabilities have extended. When it comes to real advice, when it comes to support, they want to talk to somebody – somebody they can trust and somebody they believe will be there. I think it has a much longer future than sometimes gets predicted from outside the industry.

### JOHN GOLDING

Northwest Bank

At one point in time there was a branch on every street corner. You need the branches strategically located to make it convenient for your customers. I follow very much as to what Neil was saying, to where branches have gone from being the place you go to do the transaction, it's where you go to get advice, and that is how do we bank, how do we borrow, how do we invest, how do we do we insure. Can I get a specialist that can help me connect the dots on my journey for whatever I came in for that day? So it's less of just a transaction place and more of a place for you to be able to either meet with a specialist or for us to be able to get you connected with the specialist and understand what your needs are and make it simple, easy and fast. The other part that I take a look at from the retail side is the small-business aspect of it. The branches and retail network are really where the rubber meets the road, where we're meeting with those customers whether they're starting up with the smallest of all businesses or whether they're doing an expansion or an acquisition or something else.

### DAVID NASCA

Evans Bank N.A.

We have a little different approach. What John was saying about a branch at every corner, we're kind of in every town. We believe that it's about the people; it's not about bricks and mortar, at the end of the day. It's who we put in front of the client that can add value. Our belief is we've got to have people in place who can service those requirements that Neil and John and Tara talked about in a value-added way and we think people are willing to find those people. And I don't mean in the old days when we used to draw three-mile circles of where you had to have a branch because people would only come to those concentric circles; that's not the case anymore. We also believe that the business decisions and the consumer decisions are more intertwined and more complex. If you're going to touch a client once to three times a year, you better be on your game that they need that

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assistance. We can't say, "Let us find that out." We need to have really educated service representatives or lenders or business people who can be consultative and additive to their business on an advisory basis.

► **What are we looking at here, branch-wise, in terms of what they look like in the future? Do you think most of the branches will have tellerless setups and it's more focused on the side of personal bankers?**

### GARY QUENNEVILLE

Key Bank

Make no mistake, I think the consumers want branches and they want instant access through mobile, so the branches aren't going away. But how do you make them more interactive, more accessible? We all have our forms of bank branch of the future and what that looks like. What's probably changing is you don't go into the branch just to transact on a teller line anymore. Those conversations are more complex, more interactive, more planful and are wider scope than folks just coming in to make a deposit, maybe get a car loan. It's the feel of the branch, a lot more technology, but it's also the change in the conversations that go on inside the branch.

► **What about M&T? Do you have a new model?**

### NEIL HOSTY

M&T Bank

We've developed a number of different models over the last few years. In general, when you think about the building and new branch from scratch, certainly the physical footprint is smaller and the focus on paper and on cash is lower than it would have been in a traditional branch. When you think about what a bank is here to do, our job is to serve the full community. We deployed our mobile app technology that allows customers to biometrically authenticate, to take a photograph of a check and have it automatically deposited into their account. We also see many customers who are less comfortable with that approach, less comfortable with using technology, who still wants to have that daily interaction with somebody at the bank. The way we look at it is we continue to research the external market and provide new capabilities for customers, but we respond to how our customers adapt to change rather than forcing it or pushing it.



COLIN GORDON

*Gary Quenneville expects continued evolution of the role of bank branches.*

### DAVID NASCA

Evans Bank N.A.

Forty percent of our transactions are online now, so that's a huge shift. You have to be available how the customer wants you to be available. So there's certain branches we're not going to move to a tellerless branch system because we have too many customers that are still utilizing that channel. It really depends how the customer wants to interact with you and are you available for those interactions. It's going to be a challenging and kind of a gut-wrenching changeover of an older business model to have some components of new and still meet the customers that want the old.

### JOHN GOLDING

Northwest Bank

From our standpoint, the new branch we just opened is the pods. It's smaller square footage; we're going around 2,500 square feet versus some of the old branches which were 6,000-plus square feet. When you take a look from an online transaction, we were at 35 percent in 2012, we're over 43 percent in 2016 for customers that have online banking. You have to have the technology for online banking. You have to have technology for online bill paying, all of those different forms of electronic banking that the customers want to do, you want to have that. It becomes not a branch on every corner, maybe for us it's not in every town, but we're strategically located to where we feel like we are best covering the market to make it convenient for customers to provide the level of service.

### DAVID NASCA

Evans Bank

We're trying to remove pain points for customers, too. You talk about where the future – all of us do mortgages. If you can do an online application – people want to be in

their kitchen putting applications in for mortgages. They want to talk to somebody about what they can afford. But the low value-add pieces of the transaction, if they can be delivered more efficiently, is what all of us are trying to do. That's the way a lot of the industry is looking at it – take out the pain points with technology but still have the advisory ability beyond that.

► **In the last year this market has seen some big changes with Key's acquisition of First Niagara. How long might we feel the effects of those changes?**

### GARY QUENNEVILLE

Key Bank

I'll tell you where I think we're going. Largest acquisition since the financial crisis in the banking industry. Major undertaking, assimilating a million clients in addition to continuing along with the 2 million that Key had. So major, major effort there over the last 12 months. Now, as we go forward, how do we continue to assimilate those million clients? How do we execute the business model which was predicated on bringing the two banks together and offering the best of both banks? As an example, the investment bank of Key along with the commercial real estate lending prowess, the insurance, the mortgage of First Niagara. So how do we now expose the clients to enterprisewide expanded products and services? That will be primary for us. No. 2, behind that, though, as we went through the acquisition, we did enter into an agreement called a community benefits plan where we'll invest \$16.5 billion in the overlap markets across the state. How do we start to execute that over our five-year period of time and focus the investments that we intend to make? As we think about where the next six months goes, that's kind of where

we're starting to get the integration behind us and then move forward.

► **John, obviously you were a beneficiary of some of that.**

### JOHN GOLDING

President, Northwest Bank

It made it possible for us to be in this market. Northwest was in this market but they were on the periphery and although they had branch locations and also had commercial lending, it dramatically changed for us. So for us it was a great move. Doing it one branch at a time is pretty difficult and takes a long time to do it. This was one to where 18 well-positioned branches, a 180 seasoned bankers, an investment team that had huge assets under management and some good leadership basically all came at one time. So it wasn't like you had to put the pieces together. It was basically there for us. So for Northwest it was a huge transaction. It has turned out, we feel, very well. We're a little over a quarter into it at this point. It was well-known the first couple days we had a couple hiccups along the way, but since then we feel very, very good in how this has turned out for us. And in doing so we talked about the fact that we would be investing back. We actually have two more locations that we have under contract. We're starting to do due diligence on those right now, building a regional headquarters out here; we were fortunate to be able to do it. I don't think you guys wanted to get rid of those branches, they were great branches. But a divestiture is part of a merger and it made something happen that Northwest was able to take advantage of.

► **David, how has that worked out for you as far as acquiring new retail customers?**

### DAVID NASCA

Evans Bank N.A.

Well, I'll just cite some numbers. Last quarter, we were up 28 percent annualized and we've been ramping. The quarter before that was 14 or 15 percent. We expect this quarter to be fairly strong, but I think there's opportunity whenever there's change. We've been public about saying we think that the transformation of market takes 18 to 24 months, both for the integration, for the changes that Northwest is going to do, for Gary's full wrap-around of everything he's acquired. There's opportunity and I don't think it's because anybody did anything wrong or isn't servicing the customer.

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M&amp;T Bank

Any disruption creates a consideration typically for business or for a customer for any potential change in direction. So 2016 certainly was a good business year for us. But our focus is much more long term, which is are we serving the Buffalo community more broadly? How are we looking after the customers we have and how are we engaging customers we haven't had yet who we think we can help? More broadly for the economy of Buffalo, strong, locally committed banks are critical. If I were to offer any view, it would be nothing to do with the institutions per se, but it wasn't good for Buffalo to lose a headquarters bank. Time will tell in terms of what that means, in terms from an employment perspective and a community perspective. We have a population that's enormously prideful and very connected to each other. I think banks have a greater corporate responsibility to support that other than just try to figure out how to finance it in good times. I think for all of us around the table, and hopefully banks that are not represented today, we don't lose sight of that because I think we have a critical role to play.

**DAVID NASCA**

Evans Bank N.A.

If you look back at the '80s when Bob Wilmers first got here, M&T was \$2 (billion) or \$3 billion. Look where they are now. When First Niagara bought the HSBC branches, M&T got something like - Neil can correct me on the numbers - \$2 billion in additional deposit business without buying a branch, without buying a dollar. That's what happens when customers experience change. We benefited, as well. We grew in the hundreds of millions of dollars. Customers change. I think it's tough that we lose a headquarters organization. It's good that some other people are coming and making a commitment to this community, because we have a lot of talented finance professionals in this marketplace. So there are places for them to go now. If you shrink that marketplace, you lose that.

**TARA HANDFORTH**

Wells Fargo

Where we see benefit, we've had many discussions when you merge two entities and you have two people, a Key person and First Niagara person in the same role, you're not going to have two of them going forward so we've been the recipient of that. It's good for the individual and good for us, as well.



COLIN GORDON

Neil Hosty said competition among banks shows confidence in the market.

► **Where you see your institution in the marketplace in the next three years, what do you see happening within the marketplace? What's one challenge for the community?**

**NEIL HOSTY**

M&amp;T Bank

We're optimistic about Buffalo. We're optimistic about the economic opportunity here and we might call it a rebirth and the public and private energy that has been put in. We're still enormously connected to the community, but we've become, from an employment perspective, a very multifaceted organization. We have nearly 1,000 risk-management professionals now employed in Western New York. So when you think about banking as being purely the customer-engagement part, we now have a team of finance professionals, HR professionals, risk-management professionals, marketing professionals who are all bringing skills and energy to Western New York and who do things that maybe aren't traditionally associated with banking. The community question is important. When you're involved in the boards and not-for-profit organizations around Western New York, you realize it's a community that still needs a lot of support. And for all of the progress that we've made in the economy here, there's still a bigger foundation to be built for social development and social growth. I feel banks, particularly and large organizations, and all employers of Western New York have a corporate responsibility to think beyond their own business. We need to make sure we continue to work in health, education, of income support, of job creation and the skill development that allows job creation in order for the next generations of Buffalo people to have opportunity

to grow and succeed and provide for their families. What we've seen is that while there's been corporate growth in the economy, there's also been some shrinkage. We've lost some companies, we've downsized some companies and they're hard to replace. And that energy is hard to replace. What we do know is that when Buffalo people pull together, they can accomplish things.

**TARA HANDFORTH**

Wells Fargo

We remain very optimistic about the market, excited going into 2017 about the prospects that are there. We intend to continue to invest both in people and in relationships. Community is important to us, as well. I have a small team covering what I argue is a large geography, but if I look around the holidays, my team did a volunteer day where we put gifts together for families in need and touched over 400 families. I'm encouraging my team members to get out there and be active, and be active in places where they have a passion personally because I think that's a win-win.

**JOHN GOLDING**

Northwest Bank

For us, I would say 2016 going into 2017 is a restart for Northwest in this market. When you take a look from where we are from a size standpoint now, it's different from where we were in the beginning of the year. We match up well enough. I think we are small enough to still work like a community bank and big enough to have all the products and services and the coverage throughout the branches. We really like the people that we have here and we're very optimistic about the lender team that was originally here through Northwest. The investment side is brand new for us here. We took the old First Niagara investment team

and put that directly in. Then I would get back to how do we become good corporate citizens. Gary, you talked about the investment you had with the NYBDC (New York Business Development Council). When I leave here today, that's where I'm headed is to work with them. It's important for us to define how we're going to be good corporate citizens.

**DAVID NASCA**

Evans Bank N.A.

We're a community bank by our DNA. We're involved in the community; we give people paid time off to do things in the community. We expect every one of our associates to be involved in the community, and part of our value system is doing work to advance the community. It's a very competitive market, maybe one of the most competitive markets in the United States, banking-wise, but it's very collegial. I went out and asked other bankers to give money to this Buffalo Building Reuse fund and seven said yes to the tune of \$11 million. I feel good about what we're doing as bankers. I think if we do it right, it leads to our growth. I've been at the company for a little over 10 years. We were a small, regional, \$400 million bank; we're over a billion dollars now. There are good banks in Western New York. They are a vital component of the region. As we've gone around the table today, I'm proud to be associated with this group and to say that I'm able to be a participant in what I think is a calling that's for the good of the community.

**GARY QUENNEVILLE**

Key Bank

Our investment here is not new; we've been in the market a long, long time, both in Western New York and in the state. And as a result of the acquisition, this market becomes Key's No. 2 market. We understand the responsibility that goes along with that and we're ready to take on that challenge. As we've gone through the acquisition, one of the things we're most proud of is we've had so far over 90 percent retention of the employees of both banks, which we think is a big number. That has led us to some very strong client-retention numbers that have really exceeded our expectations. To answer your question around community challenge, this issue of workforce management is a major, major challenge, not just for our businesses but for many of the businesses that we bank. Helping the school district to progress is important and preparing the next generation of people for the workforce in Western New York is really critical.