



*Commercial*

# An entrepreneurial spirit fuels First National's growth



First National Bank of Ottawa's board of directors includes (front row, left to right) vice-chairwoman Lynn Dubajic; chairman William Walsh Jr.; director, president and CEO Steven Gonzalo; director and bank board chairman Daniel Miller; and director John Cantlin. Back row: director Bradley Armstrong; director Donald Harris; director and executive officer Joseph Chiariello; and director Brian Zabel.

## First National Bank of Ottawa

*Ottawa, Ill.*

**Category:** Commercial (Less than \$500 million)

**Asset size:** \$565 million

**Consumer lender score:** 96.2

**Rank in category:** 5

"Community bankers know relationships are the key to successful lending, but rarely is that concept proven as effectively as it was at First National Bank of Ottawa in 2019.

Since 2009, First National's assets had hovered between \$200 million and \$250 million. "That all changed dramatically when Dan and Joe came on board," says president and CEO Steven Gonzalo. Today, the Ottawa, Ill., community bank has more than doubled its assets to \$565 million.

Dan Miller, board chairman, and Joe Chiariello, partner and executive officer, are veteran Chicago bankers who joined the board and invested in First National Bank in late 2018. Both came from American Chartered Bank, a commercial and industrial (C&I) powerhouse, in Chicago: Miller was a founder, and Chiariello was a division head at that bank. After American Chartered Bank merged with MB Financial in 2016, Miller and Chiariello realized they wanted to get involved in another bank to carry on their C&I lending.

"We felt First National Bank was small enough to be open to change, but big enough to be a platform for what we needed to do," Miller says. "Most importantly, the board was open to what we wanted to do."

Their objective was to transform First National from primarily an agricultural and commercial and residential real estate lender in its central Illinois community into a significant C&I lender in the western suburbs of Chicago, which is about 80 miles northeast of Ottawa. The vehicles for that change were their strong client relationships.

"The idea was that the middle market in Chicago for C&I loans had been underserved," Gonzalo says. "So, Dan and Joe started with us in November 2018, and beginning in 2019, a number of their former lenders and support staff from American Chartered joined us throughout the year."

Among those who joined during 2019 were 22 commercial lenders from American Chartered and some other Chicago-area financial institutions. They all became equity partners. "They came from a variety of different banks, but all of them have the entrepreneurial spirit," Gonzalo says. "And each of them had relationships with clients who wanted to follow their banker."

In addition to adding the powerhouse lenders, First National created a new trade name, American Commercial Bank & Trust. Under that name, the community bank dived into the Chicago C&I market. It's not a coincidence that the name is similar to Miller and Chiariello's former institution, Gonzalo says.

To manage the new business volume, First National invested in upgraded technology. It added mobile deposit capture for business clients, as well as end-to-end integration of ACH and domestic and international wires. To support the technology and lending team, the community bank brought on experienced staff and opened branches in the Chicago suburbs of Lisle and Schaumburg, Ill.

The community bank's efforts resulted in an increase of assets to \$376 million by the end of 2019. The number has ballooned in part due to the strength of Small Business Administration Paycheck Protection Program lending.

"Our strategy is to continue to grow organically," Gonzalo says. "Continuing to recruit high-caliber individuals is part of our strategy, and [so is] continuing to provide the level of service and entrepreneurial spirit to customers in Chicago who have grown tired of the lack of that service from out-of-state banks and the larger Chicago banks."

## Commercial: Less than \$500 million

Rank	Bank name	City	State	Commercial Lender Score
1	Dominion Bank	Grapeland	TX	97.7
2	M1 Bank	Macks Creek	MO	97.2
3	Maple Bank	Champlin	MN	97.0
4	Central Bank of Kansas City	Kansas City	MO	96.7
5	The First National Bank of Ottawa	Ottawa	IL	96.2
6	Mountain Pacific Bank	Everett	WA	95.6
7	Community Bank of the Bay	Oakland	CA	94.3
8	Quaint Oak Bank	Southampton	PA	94.1
9	Bank of Oak Ridge	Oak Ridge	LA	93.7
10	West Valley National Bank	Goodyear	AZ	93.6
11	Bank of Montana	Missoula	MT	93.4
12	Lewis & Clark Bank	Oregon City	OR	93.3
13	Home Bank of California	San Diego	CA	93.2
14	OptimumBank	Ft. Lauderdale	FL	93.1
15	Grand River Bank	Grandville	MI	92.7
16	Crown Bank	Edina	MN	92.6
17	The First National Bank of Lindsay	Lindsay	OK	92.4
18	Partners Bank	Helena	AR	92.3
19	Main Bank	Albuquerque	NM	92.1
20	The Peoples Bank	Marion	KY	91.9

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