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Blackhawk in Wisconsin Eyes Deals, Organic Growth

If the anticipated wave of merger-and-acquisition activity in the banking industry ever hits, Blackhawk Bancorp in Beloit, Wis., wants to be ready for it.

The \$558 million-asset company said Wednesday that it had hired investment bank River Branch Capital to advise it on capital raising. Fresh capital will allow the bank to “take advantage of tremendous organic growth opportunities and the expected consolidation of our industry,” R. Richard Bastian III, Blackhawk’s president and chief executive, said in a news release.

River Branch, based in Chicago, has “extensive experience in the financial services industry including merger and acquisition advisory services,” Blackhawk said in the news release.

Experts have been predicting a surge of mergers as banks face higher regulatory expenses, weak loan demand and low interest rates. But 2011 had the fewest number of bank deals in several decades and the outlook for this year has remained dim.

Blackhawk reported first-quarter earnings of \$678,000, up 6% from a year earlier as increased mortgage banking revenue led to a 43% increase in noninterest income. Its last acquisition was in 2003, when it bought First Bank in Capron, Ill.

By Jackie Stewart

