

COMMUNITY BANK EXECUTIVE FORUM

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Update on Industry Issues/De Novo Activity/M&A Developments

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- I. Industry Overview
 - A. The consolidation continues
 - B. The changing Florida landscape
- II. De Novos
 - A. How did we get here?
 - B. Should we care about new community banks?
 - C. What does today's bank formation process look like?
- III. Mergers and Acquisitions
 - A. What are we seeing?
 - 1. What is happening as to pricing?
 - 2. What is the M&A process like these days?
 - 3. And here come the credit unions
 - B. And what are the deal issues?
 - 1. How should I prepare in this environment?
 - (a) Review the industry developments at least annually
 - (b) Have a reality-based sense of what your bank is worth
 - (c) Have a sense of your inclination
 - (d) A divided Board brings down bank value as opposed to a unified board
 - (e) Be conscious of the effect on shareholders, employees, and customers
 - (f) Designate a contact person
 - (g) Document the process
 - (h) Get the employment issues resolved upfront
 - 2. What about exclusive negotiations with one bidder?

3. Do I have to sell my bank if somebody wants to buy it? Can I just say no?
4. Do I have to tell or let shareholders vote on it?
5. Pricing
6. Who prices the deal?
7. Buyer stock performance and liquidity
8. Is my deal doable?
9. Regulatory Applications
10. Due diligence
11. Confidentiality
12. Director impact
13. Fairness opinion
14. Employees
15. Best approach

IV. Parting Observation