

2010 ICBA WEBINAR SERIES

Driving Performance—
Succeeding in the new banking era.

Branch Acquisition – How to Evaluate an Opportunity for Your Bank.



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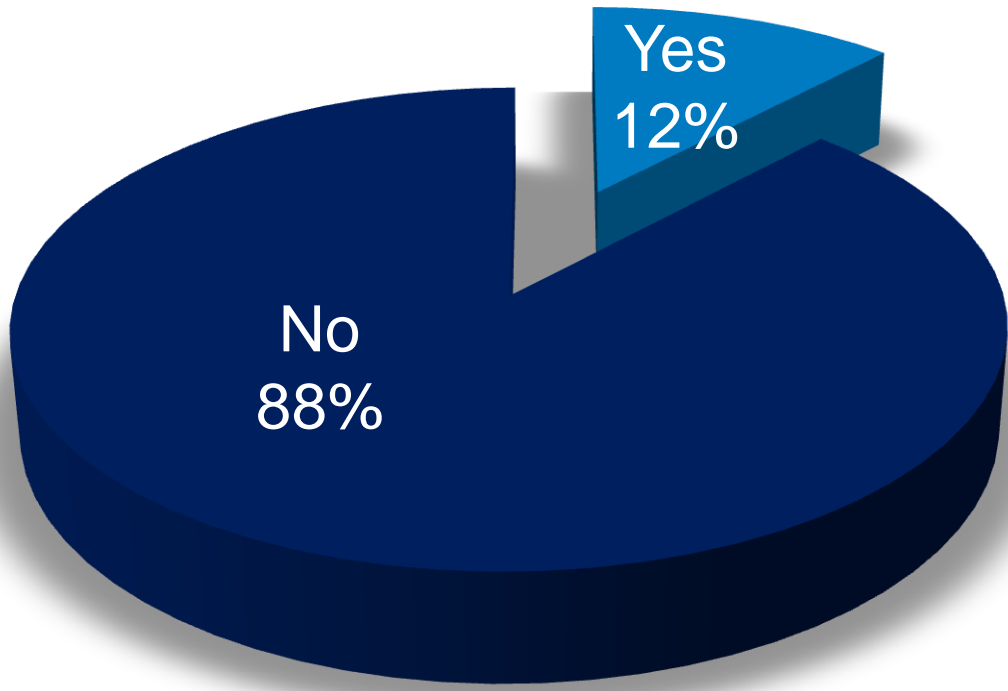
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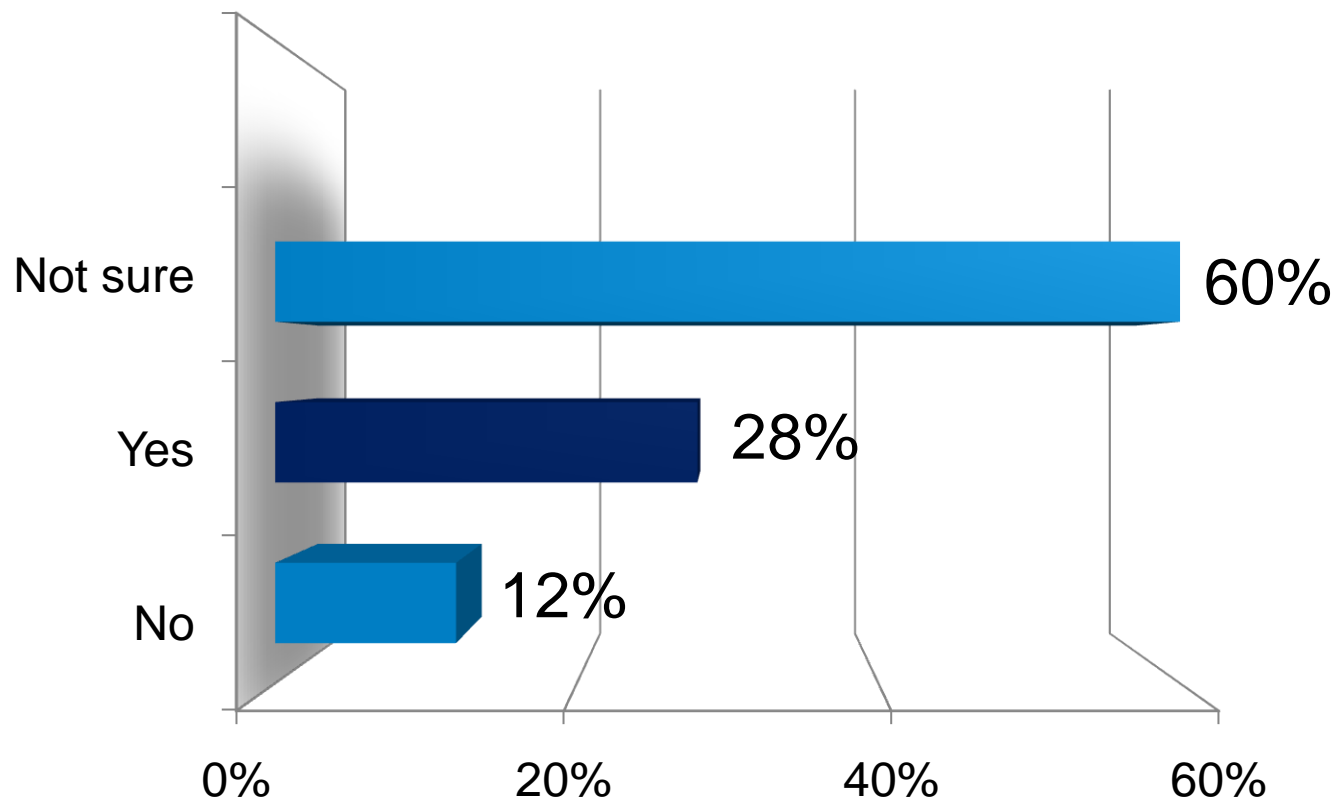


Has your bank acquired (or merged) in the last six months?



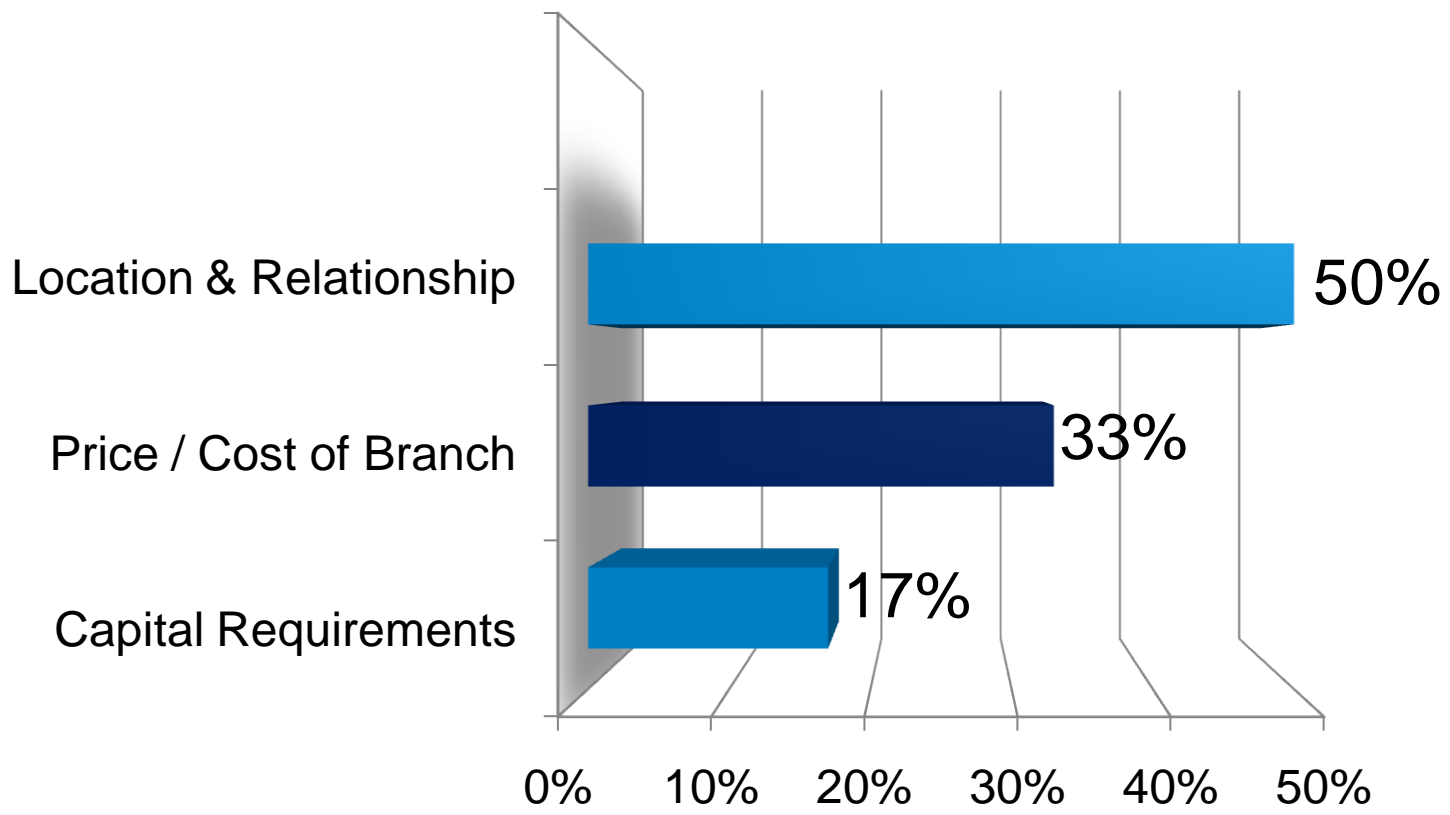


Will your bank be considering a potential branch acquisition in the next 6 months?





What are the key factors that you use to evaluate potential branch acquisitions?



Industry Situation (cont.)

■ Branches & Population – Recap

Sources: U.S. Census Bureau
FDIC Summary of Deposits
FDIC Statistics on Depository Institutions

TABLE 1	Base: 1995	2000	2005	2007	2010
U.S. Population	262,764,948	282,171,936	295,560,549	301,290,332	309,162,581
Growth Rate (%)	-	1.44%	0.93%	0.96%	0.90%
Deposits (millions)	\$3,214,407	\$4,003,586	\$5,933,651	\$6,701,949	\$7,675,516
Growth Rate (%)	-	4.49%	8.19%	6.28%	4.63%
Loans (millions)	\$3,321,596	\$4,626,917	\$6,326,016	\$7,385,337	\$7,144,055
Growth Rate (%)	-	6.85%	6.46%	8.05%	-1.10%
Institutions (#)	12,282	10,117	8,855	8,604	7,820
Growth Rate (%)	-	-3.80%	-2.63%	-1.43%	-3.13%
Branches (#)	80,992	85,490	92,042	97,273	98,514
Growth Rate (%)	-	1.09%	1.49%	2.80%	0.42%
Pop Per Inst	21,394	27,891	33,378	35,017	39,535
Dps per Inst (000s)	\$262	\$396	\$670	\$779	\$982
Lns per Inst (000s)	\$270	\$457	\$714	\$858	\$914
Pop per Branch	3,244	3,301	3,211	3,097	3,138
Dps per Branch (000s)	\$39,688	\$46,831	\$64,467	\$68,898	\$77,913
Lns per Branch (000s)	\$41,011	\$54,122	\$68,730	\$75,924	\$72,518

Industry Situation (cont.)

- Branches & Population – Recap

TABLE 2	Base: 1995	2000	2005	2007	2010
Deposits (millions)	\$3,214,407	\$4,003,586	\$5,933,651	\$6,701,949	\$7,675,516
< \$100M	\$307,125	\$224,359	\$170,895	\$154,952	\$129,206
\$100M to \$1.0B	\$793,862	\$802,897	\$963,505	\$1,041,392	\$1,089,150
> \$1.0B	\$2,113,419	\$2,976,331	\$4,799,252	\$5,505,605	\$6,457,160
Branches (#)	80,992	85,490	92,042	97,273	98,514
< \$100M	15,012	10,805	7,446	6,590	5,030
\$100M to \$1.0B	24,627	24,253	25,300	26,127	25,789
> \$1.0B	41,353	50,432	59,296	64,556	67,695
Dps per Branch (000s)	\$39,688	\$46,831	\$64,467	\$68,898	\$77,913
< \$100M	\$20,459	\$20,764	\$22,951	\$23,513	\$25,687
\$100M to \$1.0B	\$32,235	\$33,105	\$38,083	\$39,859	\$42,233
> \$1.0B	\$51,107	\$59,017	\$80,937	\$85,284	\$95,386

Sources: U.S. Census Bureau
FDIC Summary of Deposits