

Hello again Bank Slaters!

Hope you're having a great weekend! I was asked recently how people can support the blog and this newsletter. The main thing is to get the word out, especially when it comes to subscribing for weekly updates. I also added a donate button in case anyone wants to help out. The donate button and subscription field are located on the right on the [Bank Slate homepage](#).

What have I been thinking about this week? For starters, that patience is a virtue when it comes to acquisitions.

I love reading S-4 filings. I like to find little nuggets on pending acquisitions, including a deal's background and the compensation arrangements for a seller's executives.

The background section often reveals that the buyer had approached the seller months – even years – before talks began. Frequently, a buyer's board determines that they still have what it takes to stay independent, only to realize over time that the bank lacks the gusto to go it alone.

Bank First in Manitowoc, Wis., [learned the lesson of patience firsthand](#). It initially tried to buy Denmark Bancshares in Denmark, Wis., in February 2020, roughly two years before reaching an agreement on a [\\$199 million acquisition](#).

With that in mind, I put together some thoughts on what acquisitive companies should do as they wait for a prized acquisition to hit the market.

- **Patience required.** M&A is like dating. The target may not be interested now, but things can suddenly change and they might be open to talking at a later time.
- **Self-care is important.** There is never a bad time to look inward. Examine your cost structure. Review your strategic roadmap and capital management. Get your regulatory house in order. These steps could allow you to move nimbly when a target becomes available.
- **Keep looking.** So, the company you want to buy doesn't want to sell – others likely are ready. Have a long list of targets and a willingness to juggle conversations as you evaluate what could work and what will not.,

• **Talk to regulators.** This aligns with internal focus. Keep your state and federal regulators apprised of your strategic imperatives and how an acquisition will meet those goals without adding excessive risk.

• **It will cost more than what you offered.** When a target wants to sell, it will likely pursue an auction that will inevitably drive up the price. Know how much you are willing to pay if that happens.

That's my quick take. What do you think? Let me know at paul.davis.mba@gmail.com.

Here are this week's headlines.

M&A

- Origin Bancorp in Louisiana [first approached BT Holdings](#) in Texas, about an acquisition two years before they agreed to a deal. Origin [agreed to buy](#) BT Holdings in February for \$313.5 million in stock.
- VyStar Credit Union in Florida, which is waiting on regulatory approval to buy a bank, has [signed an agreement](#) to merge with First Coast Federal Credit Union in Jacksonville.

Arrivals/Departures

- Fifth Third Bancorp in Cincinnati said Tim Spence will succeed Greg Carmichael [as CEO on July 5](#). Carmichael, who is retiring, will remain chairman.
- Alan Thian [has resigned](#) as president and CEO of RBB Bancorp after an internal investigation conducted by an outside law firm identified violations of company policies and procedures.

Fintech

- Circle Internet Financial in Boston is [raising \\$400 million](#) from a group of investors that includes BlackRock, Fidelity Management and Research, Marshall Wace and Fin Capital.
- Quontic Bank in New York unveiled a payment ring that will allow consumers to [tap-to-pay at the point of sale](#).

Miscellaneous

- Bank of Princeton in New Jersey is looking to [form a holding company](#). The bank wants shareholders to approve forming Princeton Bancorp when the annual meeting is held on April 29.
- Thirteen minority depository institutions will [join a pilot program](#) to boost the financial wellness of minority communities. The pilot will help the MDIs create a customized financial wellness website, issue calls to action and reward consumers for improved financial behaviors.
- U.S. Bancorp in Minneapolis [highlighted partnerships](#) with Microsoft, Morningstar and a real-time payments fintech firm as part of its quarterly results.
- A group in Texas, has [formed an association](#) to advocate for financial institutions that offer Banking-as-a-Service (BaaS) products.
- Middlefield Banc Corp. in Ohio and Peoples Financial in Mississippi are [facing proxy challenges](#).
- Codorus Valley Bancorp in Pennsylvania will appoint three independent directors and review its compensation and risk policies as [part of a truce](#) with an activist investor.
- Organizers of the proposed Walden Mutual Bank in Concord, N.H., have [made their first loans](#), using seed capital raised as part of their de novo effort.

That's all for now. I hope everyone has a great weekend!