

The background of the image features a close-up of an American flag with its stars and stripes. In the foreground, there is a pile of US dollar bills, including several \$100 bills and some \$50 bills. A clear glass bottle, possibly containing a beverage, is partially visible on the right side, resting on the money.

# **HERE IS THE EVERYTHING YOU NEED TO KNOW ABOUT BUYING AN AMERICAN BANK**

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# Here Is Everything You Need To Know About Buying An American Bank

Did you know you can own a bank? Most national banks in America are traded publicly while others are privately owned. But why invest in a bank?

Are you looking to integrate new ideas into the management of a financial institution? Then it's high time you buy a bank.

The banking industry is in need of new capital now that transaction multiples have gone down. In the prevailing regulatory conditions, it makes sense to acquire an existing bank for sale instead of launching a completely new one.





# How To Buy A Bank : What Are The Requirements?

If you are looking for information on how to buy an American bank, it means you want to be a market maker. You want to possess a financial system. A bank is the apex of business and capitalism. Buying an existing bank takes the same steps involved in starting a de novo bank. You will need a business plan, capital, management team, and board of directors. A banking institution can be likened to a big company. When you invest in stock or buy assets, you become the owner.

You might need an investment of up to \$50 million. Remember that you can join hands with other investors to get to this amount. You need the approval from bank regulators who will require you to have a clean record and a banking experience. And to manage the bank, you will have to hire a team of professionals. However, an American bank is not like a typical company. It has to undergo thorough scrutiny through extensive regulations. Again, there must be a balance between profitability, community reinvestments, and risk management (fraud and credit risks).



# Benefits Of Buying A Pre-Existing Bank As Opposed To a De Novo

There are good reasons to buy a bank for sale rather than build from scratch. Considering the disruption of a troubled economy, the advantages of buying a bank hold up more than ever. Here is why.

## • Time Saving

The process of planning a de novo is quite a hurdle. First, you need to come up with a name, find a good location, and define your products and services. Again, you have to supervise tenant improvement and construction. But when you know where to buy a bank, most of the challenging aspects of a startup will have been solved. So, you will just come in to evaluate operations that are already running. The decisions for the inception stage will not be an issue. Your job is to identify areas that require changes.



- **Wider Customer Base**

The history of a bank is a tangible asset when it comes to the credibility of the institution. Launching a de novo may not be successful unless there is an enticing product or service that can grab the customers' attention from other banking institutions. One of the hardest things in the financial market is to change the buying habits of the customers. When you buy an existing bank, you also acquire the entrenched customer relationships. The stronghold of an existing institution is its foothold in the community. As such, you will leverage a customer base with the potential to expand over time.

Today, the regulators of the banking sector are apprehensive about adding new banks. Every bank application is a potential failure to them. So, a bank purchase means fewer problems in the economy. If you can get a productive management team, it is possible to revive a sinking bank with new ideas and capital. You have the potential to become the forerunner if you succeed in the community.

Looking to buy a bank in America? Visit MergersCorp™ M&A International today at [mergerscorp.com](http://mergerscorp.com). We will help you to confidentially purchase or sell a bank privately. We are committed to executing the interests of every party for mutual success and satisfaction. Contact us for any question regarding the process.





# Our M&A Process

TARGET APPRAISAL	APPROACH	DUE DILIGENCE	NEGOTIATION & CLOSE	POST MERGER INTEGRATION (PMI)
Key Areas				
<ul style="list-style-type: none"> <li>Target &amp; market analysis;</li> <li>Initial assessment of synergies &amp; value drivers;</li> <li>Indicative valuation;</li> <li>Go or No-Go decision;</li> <li>Preparation of transaction documents (NDA – Non-disclosure Agreement/LOI- Letter of Intent);</li> <li>Select Transaction team;</li> <li>Appoint advisors;</li> <li>Consider funding ability.</li> </ul>	<ul style="list-style-type: none"> <li>Initial approach letter;</li> <li>Signing of NDA;</li> <li>Prepare &amp; share initial information requests;</li> <li>Formulation of LOI (Letter of Intent) &amp; possible negotiations;</li> <li>Initial meeting and Q&amp;A;</li> <li>Circulate information on the Target to the Transaction team.</li> </ul>	<ul style="list-style-type: none"> <li>Set scope of due diligence;</li> <li>Set up VDR (virtual data room);</li> <li>Coordinating of due diligence, further meetings and Q&amp;A sessions;</li> <li>Consider points relevant to the Post-Merger (PMI) phase;</li> </ul>	<ul style="list-style-type: none"> <li>Revisit indicative valuation &amp; prepare detailed valuation based on due diligence findings;</li> <li>SPA negotiations with the seller;</li> <li>Development of final structure (share/asset deal) and final valuation;</li> <li>Approvals;</li> <li>Signing of SPA &amp; Close.</li> </ul>	<ul style="list-style-type: none"> <li>Consider the extent of integration;</li> <li>Development of 100 Day PMI Plan;</li> <li>Consider short &amp; long term objectives;</li> <li>Estimate requirements to capture synergies;</li> <li>Determine resource needs &amp; optimal allocation.</li> </ul>
Parties Involved				
<ul style="list-style-type: none"> <li>CFO;</li> <li>Head of M&amp;A;</li> <li>Accountants;</li> <li>Corporate finance advisors;</li> <li>Consultants.</li> </ul>	<ul style="list-style-type: none"> <li>Senior management;</li> <li>CEO, CFO, CTO;</li> <li>Strategy director;</li> <li>Head of M&amp;A;</li> <li>Head of Business Development;</li> <li>Consultants.</li> </ul>		<ul style="list-style-type: none"> <li>Company general counsel;</li> <li>Lawyers;</li> <li>Senior management.</li> </ul>	<ul style="list-style-type: none"> <li>Company general counsel;</li> <li>Lawyers;</li> <li>Senior management/HR.</li> </ul>



The background of the advertisement features a close-up of the American flag on the left, with its stars and stripes. On the right, there is a stack of US dollar bills, including several \$100 bills and one \$1 bill, fanned out. The entire image has a dark, semi-transparent overlay.

# LOOKING TO BUY A BANK?

CONTACT US NOW  
FOR MORE INFORMATION

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