

M&A: How to Efficiently Evaluate Acquisition Opportunities

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- A professional services firm with three distinct business lines
 - Accounting and Consulting
 - Outsourcing
 - Wealth Advisory
- 3,600 employees
- Offices coast to coast
- Serve more than 1,100 financial institutions



Speaker Introduction

- **Thomas Danielson, CPA**

Tom is a principal with CliftonLarsonAllen and specializes in providing services to financial institutions. He has nearly 30 years of experience providing audit, tax, and consulting services for community banks.

Learning Objectives

- At the end of this session, you will be able to:
 - Recognize how to efficiently evaluate acquisition opportunities
 - Determine the financial health of an acquisition target
 - Understand how to prepare financial models – including pricing, capital requirements, purchase accounting, cost takeout, and pro forma and projected balance sheets and income statements

Agenda

- Demonstrate how to quickly evaluate an acquisition target
- Find suitable targets
- Look at financial health of target
- Prepare financial models
 - Pricing
 - Capital requirements
 - Purchase accounting
 - Cost takeouts
 - Pro forma and projected balance sheets and income statements

Background

- Extension of Failed Bank Analysis and Modeling
- Speed is of the essence
- Every step is abbreviated
- As little as two weeks
 - Evaluating opportunity
 - Due diligence
 - Prepare bid
 - Pro forma balance sheet and projections for regulatory application
 - Closing

Methods are Effective for Healthy Bank Opportunities as Well

- Fast
- Efficient
- Cost-effective
- Flexible

Tools

- Sort potential targets
 - Size
 - Geography
 - Amount of troubled assets
 - Deposit base
- Dashboard – “Opportunity Snapshot”
- Modeling Tools

Demonstration

- Example of Finding Targets
- Quickly Evaluating Key Attributes
- Efficiently Evaluating Merger Possibilities
 - Various Purchase Price
 - Cost Takeouts
 - Capital Needs
 - Purchase Accounting Issues

Questions?



Thank you!

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