



The Bank M&A Landscape: *Market Update + Best Practices*

June 2026

Presented by:



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VIRGINIA BANKERS
ASSOCIATION

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1

Market Update

2

Deal Drivers

3

Best Practices: Buying, Selling, Remaining Independent

Industry-Leading Bank M&A Advisors

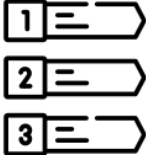
#1 Firm

#1 sell-side bank M&A firm /
Top 3 overall (sell-side + buy-side)¹



Top Advisors

5 of top 10 individual advisors /
#1 ranked advisor each of past 7 years²



150+ Transactions

Advised on over 150
completed bank M&A transactions



\$4.0+ Billion

Advised on more than
\$4 Billion in total M&A value



Proprietary Approach

Founder-Led

Founding partners
involved in every
engagement

Sole Focus

Exclusively and
entirely focused on
community bank M&A

Experience

Our principals have
advised on more than
\$10B in total M&A
transaction value

Elite 'Surgical' Team

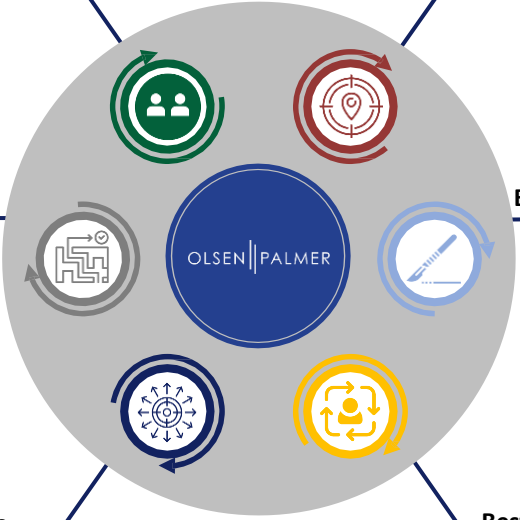
Our professionals
have advised on
200+ bank M&A
transactions

Free From Conflicts

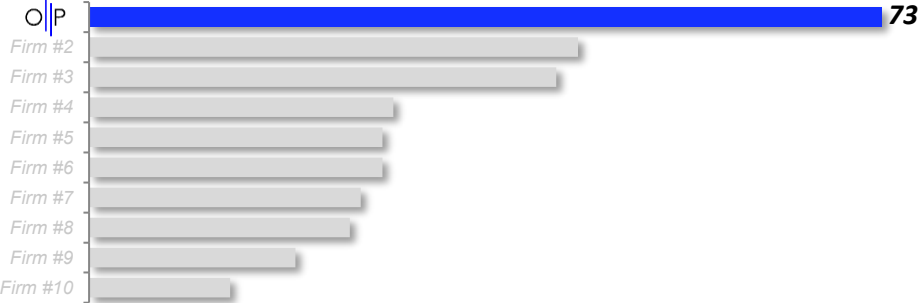
Free of conflicts with other
departments and offerings (e.g.,
bond sales, capital markets, etc.)

Best-In-Class Approach

Combining M&A best
practices from both
Wall St. firms and boutiques



Bank M&A Advisor – Firm Rankings³



Locations



1 – Based on total no. of whole-bank M&A transactions since 2020. 2 – By whole-bank M&A transaction count, 2019 - 2025. 3 – Based on no. of whole-bank sell-side M&A transactions since 2020 with seller total assets less than \$1.0 billion. Source: S&P Global.

Speaker Biography + Credentials

Contact Information



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Christopher Olsen
Co-Founder + Managing Partner

Expertise + Achievements

- #1** bank M&A advisor nationwide
7th consecutive year
- Advised on over **150 M&A** transactions across 3 decades
- More than **\$10 Billion** in aggregate M&A transaction value
- Frequent industry speaker:*

Education

- MBA:**
Columbia University
- BBA:**
The George Washington University
- Additional Professional Studies:**
*Columbia Law School –
The Law of M&A Transactions*
- American Bankers Association –
Institute of Banking*

Prior Experience

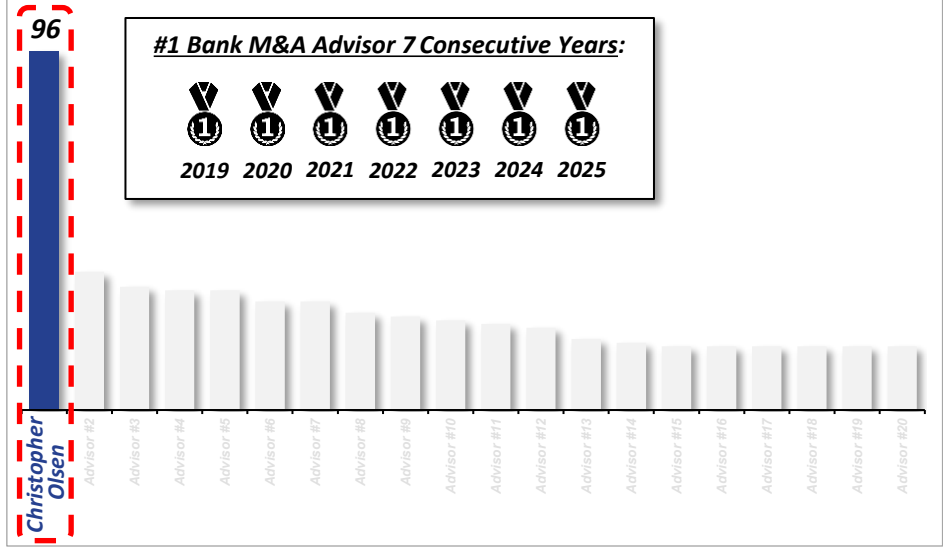
- Morgan Stanley / Investment Banking Division
- The Hovde Group
- Houlihan Lokey / Milestone Advisors
- Norwest Bank (now Wells Fargo)
- Began career as teller for a community bank

Professional Licensing

- General Securities Principal (*series 24*)
- Investment Banking Representative (*series 79*)
- Uniform Securities Agent (*series 63*)
- General Securities Representative (*series 7*)
- Limited Representative - Private Securities Offering (*series 82*)



#1 Bank M&A Advisor – By # of Transactions



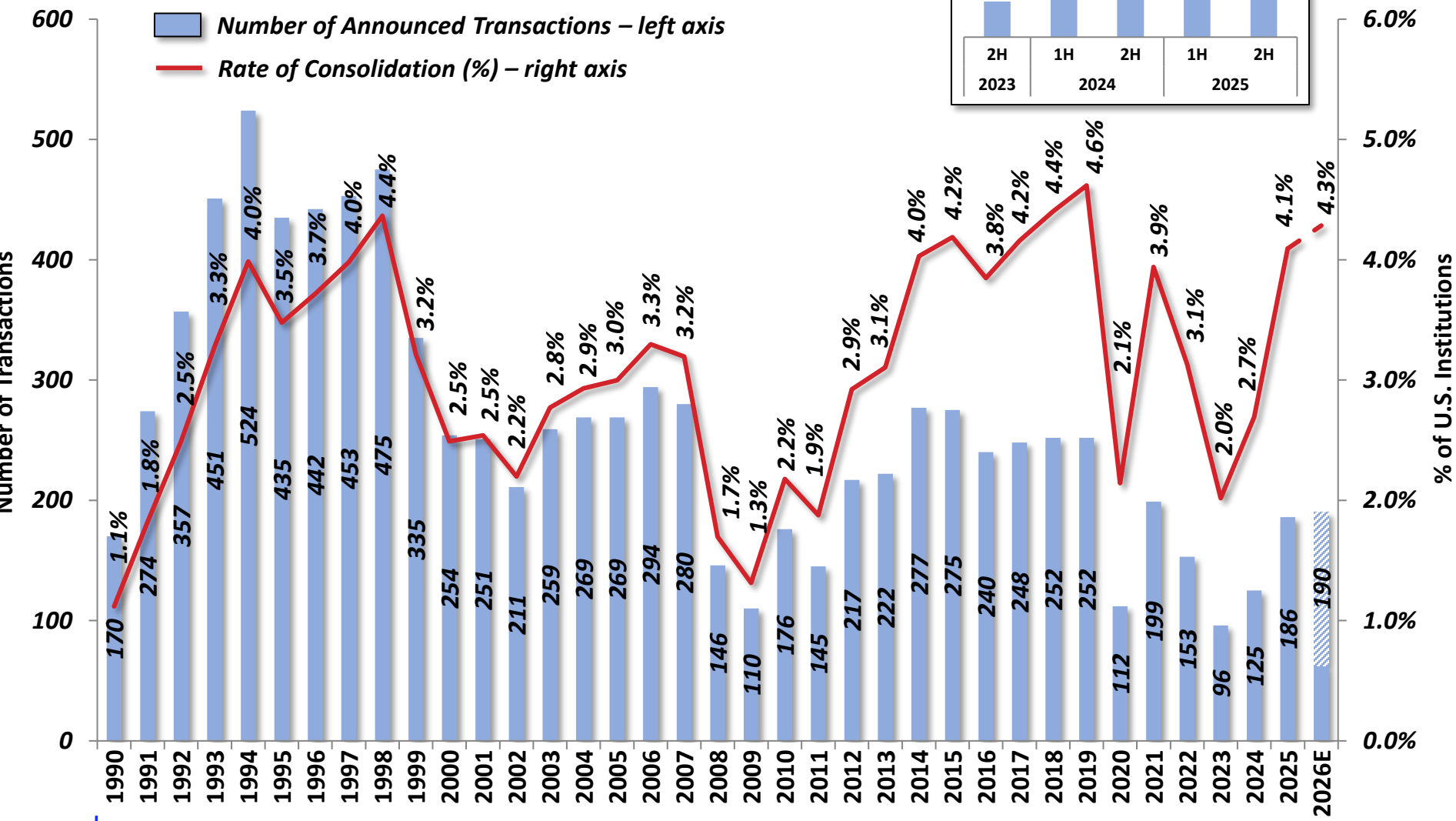
Note: #1 bank M&A individual advisor ranking reflects all whole-bank M&A transactions advised upon since 2019 in which advisor information was disclosed. Source: S&P Global.

I. Bank M&A Landscape

M&A Activity Over Time

Bank M&A Volume

No. of Announced Transactions & Consolidation Rate



Large Transactions & Serial Acquirers

Noteworthy Transactions

Sorted by Announcement Date

Ann. Date	Acquirer	Target	Deal Value (\$MM)
3/12	ESQUIRE BANK	Signature Bank	\$348
2/3	Santander	Webster Bank	\$12,300
2/2	Columbia Bank	Northfield Bancorp	\$597
1/28	PROSPERITY BANK	stellar BANK	\$2,000
12/29	OCEANFIRST BANK	FLUSHING Bank	\$567
12/18	Burke & Herbert	LINKBANK	\$356
12/17	CVB Financial Corp.	HERITAGE BANK OF COMMERCE	\$811
12/11	enova.	Grasshopper Bank	\$388
12/1	Associated Bank	AMERICAN NATIONAL BANK	\$604
10/27	Huntington	CADENCE Bank	\$7,594
10/27	FirstSun Capital Bancorp	FIRST FOUNDATION	\$747
10/27	Park NATIONAL BANK	FIRST CITIZENS NATIONAL BANK	\$317
10/23	Nicolet NATIONAL BANK	MidWestOne Bank	\$866

Institutions with Multiple Acquisitions

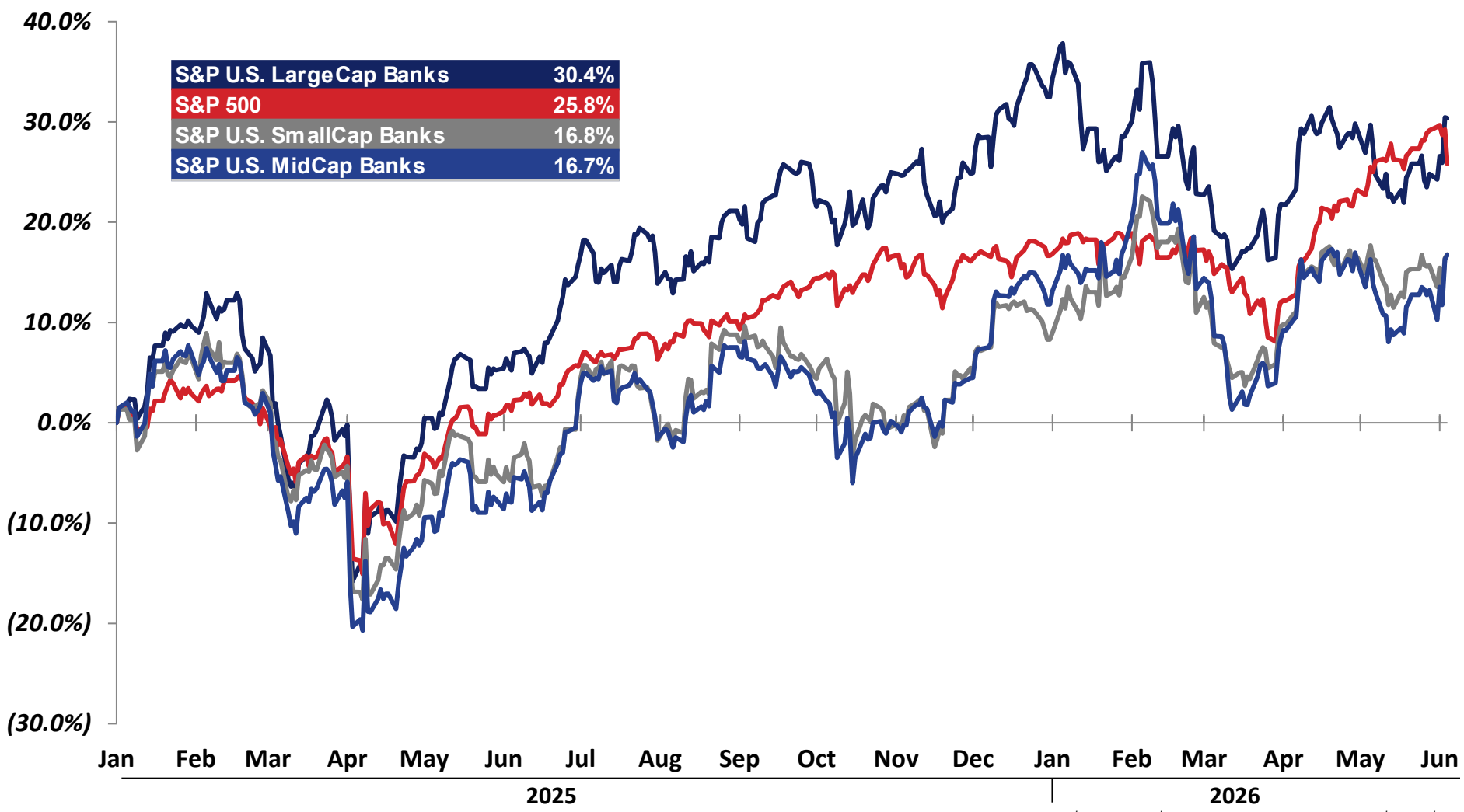
Sorted by Acquirer Size

Acquirer	Targets
Huntington	CADENCE Bank + VERITEX COMMUNITY BANK
CADENCE Bank	Industry State Bank + FCB FIRST CHATHAM BANK
PROSPERITY BANK	American Bank + TEXAS PARTNERS BANK + stellar BANK
GLACIER BANK	BANK of IDAHO COMMITTED TO COMMUNITY + Guaranty Bank & Trust
FIRST first financial bank	WESTFIELD + Bank Financial
TOWNE BANK	VILLAGE BANK + OLD POINT INSURANCE BANK + DOGWOOD STATE BANK
Seacoast Bank	Heartland National Bank + CITIZENS FIRST BANK
EQUITY BANK	AmericanCard Bank + NBC PEOPLE YOU CAN BANK ON + frontierbank
MID PENN BANK	WILLIAM PENN BANK + Colonial COMMUNITY BANK
FIDELITY BANK & TRUST	COUNTY BANK + STATE SAVINGS BANK + FROST STATE BANK
Longview CAPITAL CORP	Middletown State Bank + Federated Bank + Bank of Green City

Bank Stock Performance

Bank Stock Performance

Price Change of Select Bank Indices – Since January 1, 2025



Note: SmallCap Index: market cap \$250MM – \$1B; MidCap Index: market cap \$1B – \$5B; LargeCap Index: market cap > \$5B. Market data as of June 5, 2026. Source: S&P Global.

Key Deal Drivers

① Customary



- Contracts
- Aging

② Bottleneck



- Rates
- Regulatory

③ Trump 2.0



- Environment
- Approvability

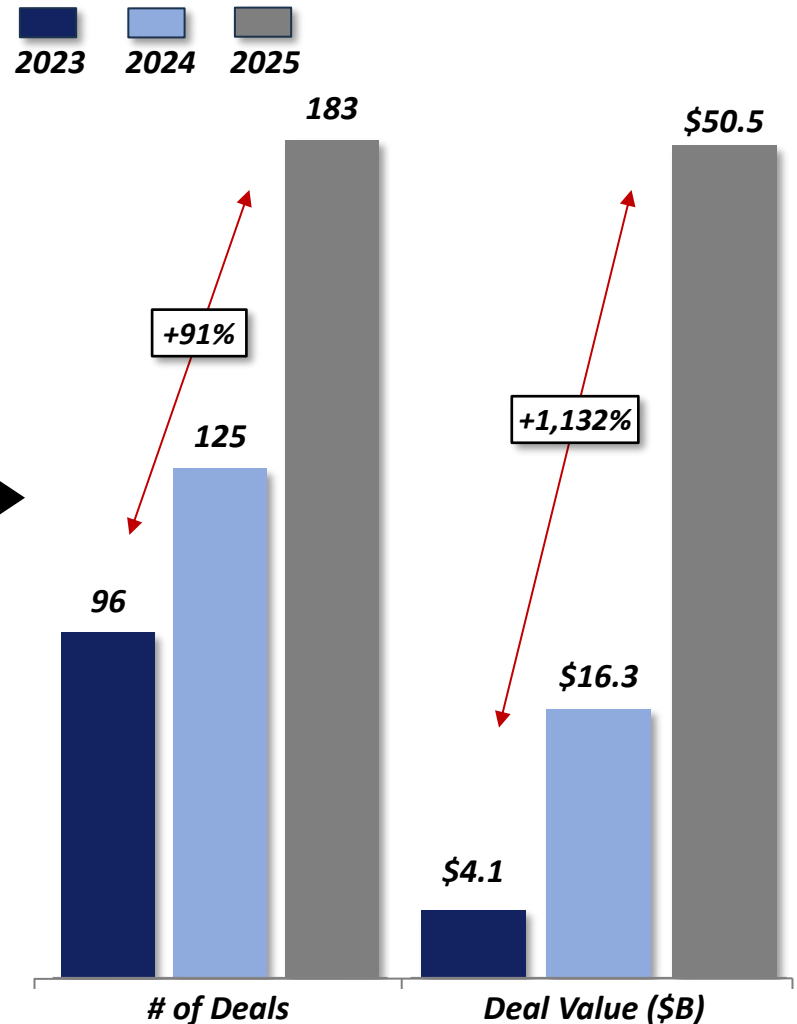
④ Incremental



- Technology
- Competition

Anticipated Sellers Landscape

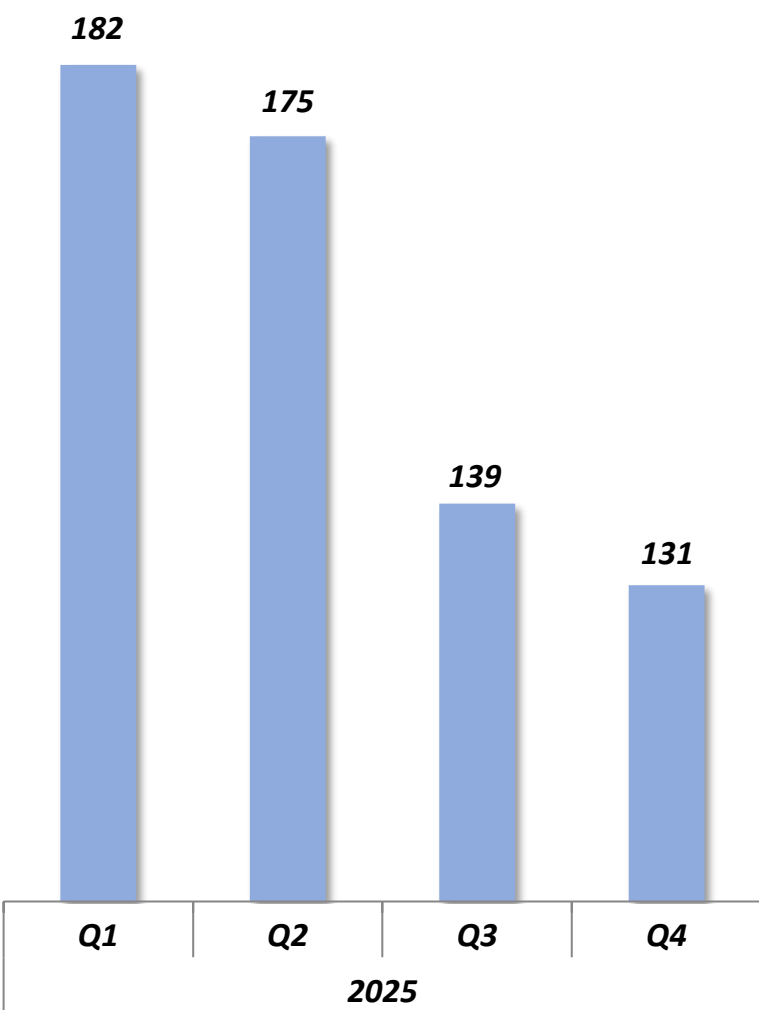
By Category



Regulatory Changes

Transaction Timelines

Median No. of Days From Signing to Closing



Financial Legislation & Initiatives

Approved or Proposed Project & Acts



Fintech Competitors

Prominent Companies Threatening Bank Business Models

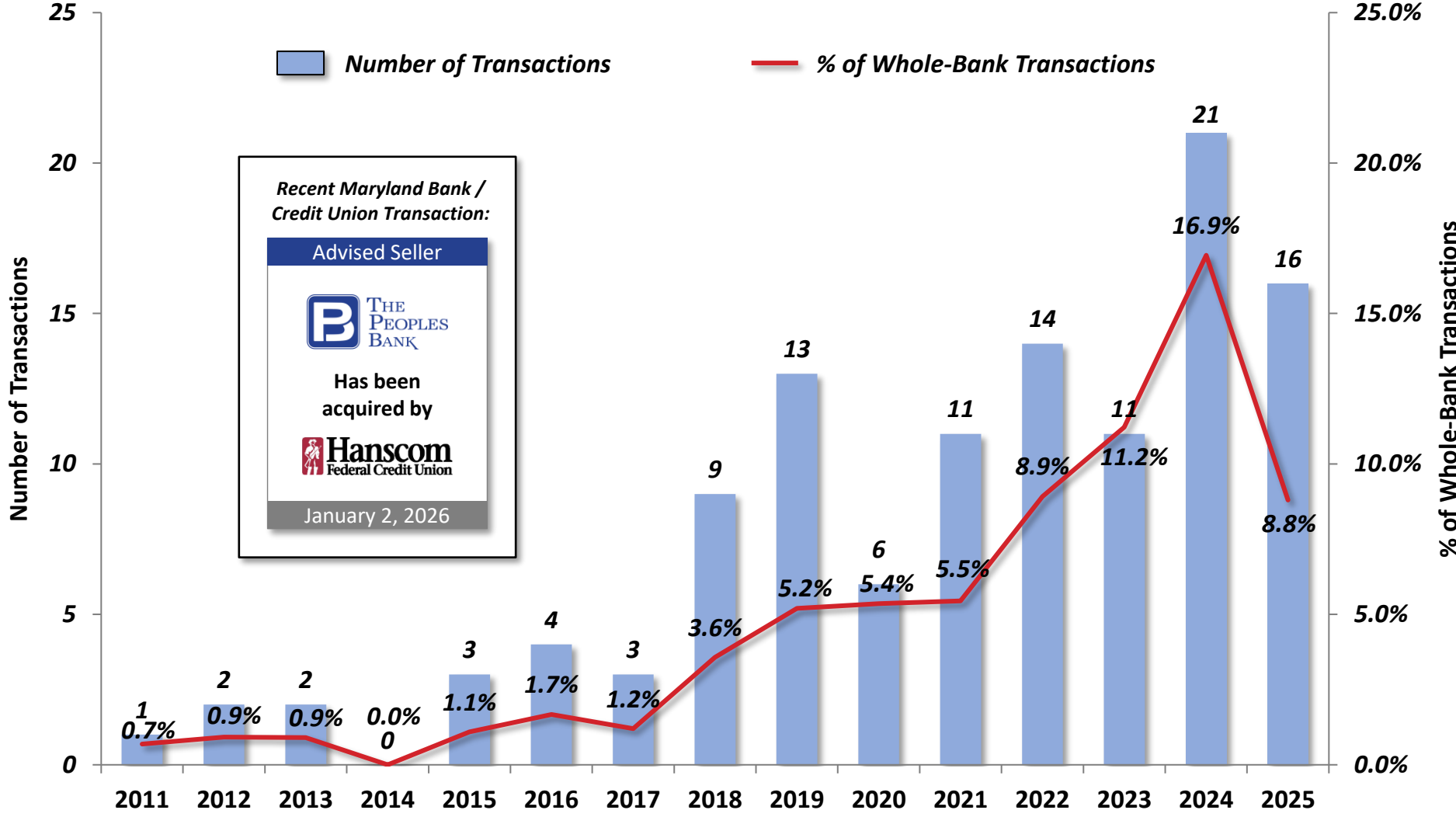


Note: Reflects average of all transactions closed within that period. Source: S&P Global.

Credit Unions as Acquirers

Number of Banks Acquired by Credit Unions

Number of Whole-Bank Acquisitions By Year

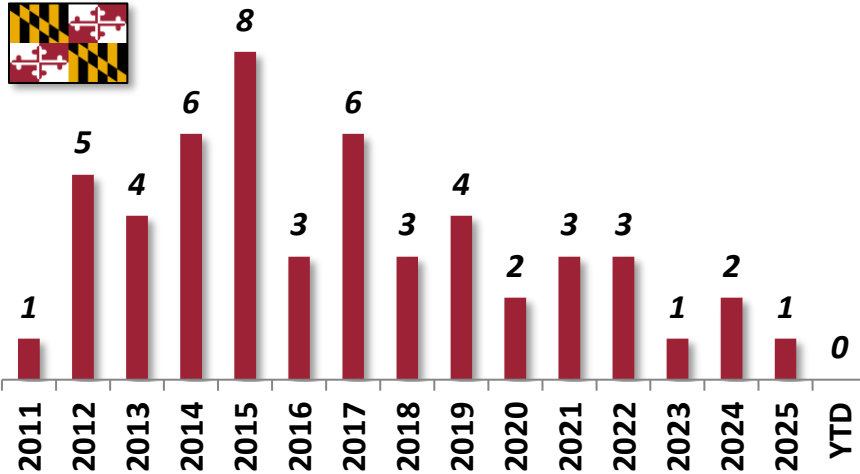


Note: Data as of May 31, 2026. Source: S&P Global.

Consolidation in Maryland & Virginia

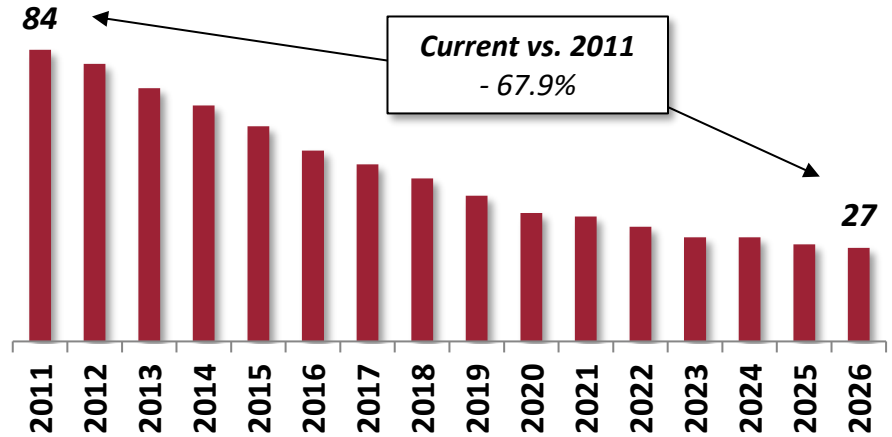
Maryland Transactions

No. of Announced Transactions



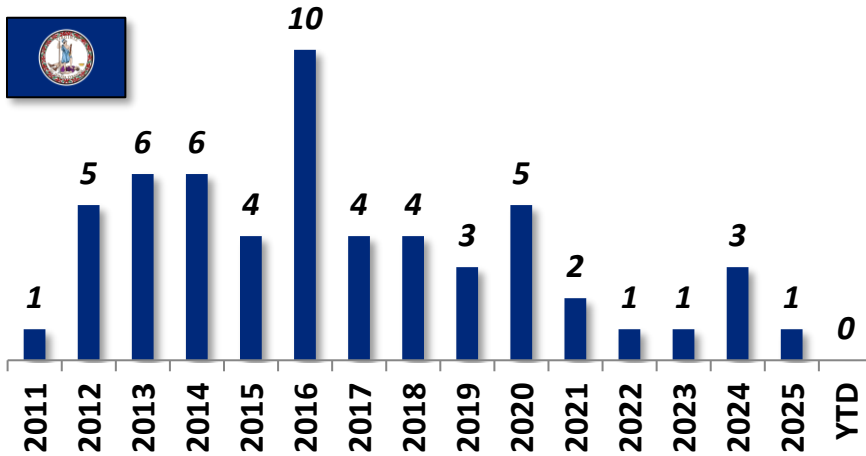
Maryland Institutions

Commercial Banks and Thrifts



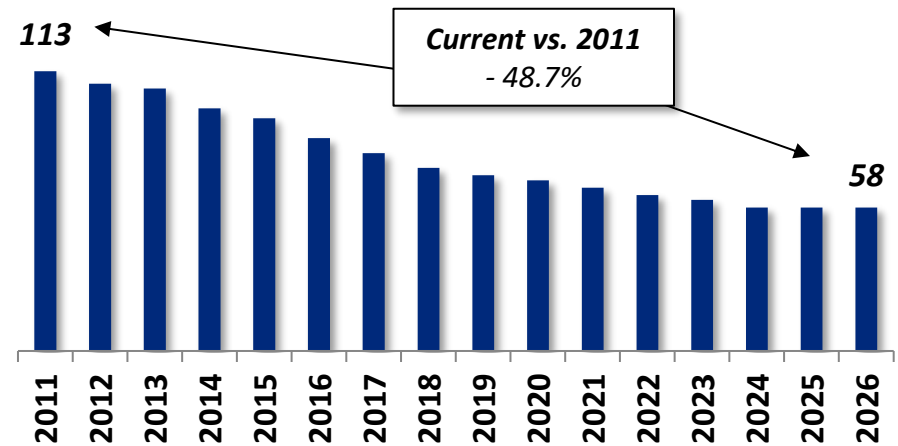
Virginia Transactions

No. of Announced Transactions



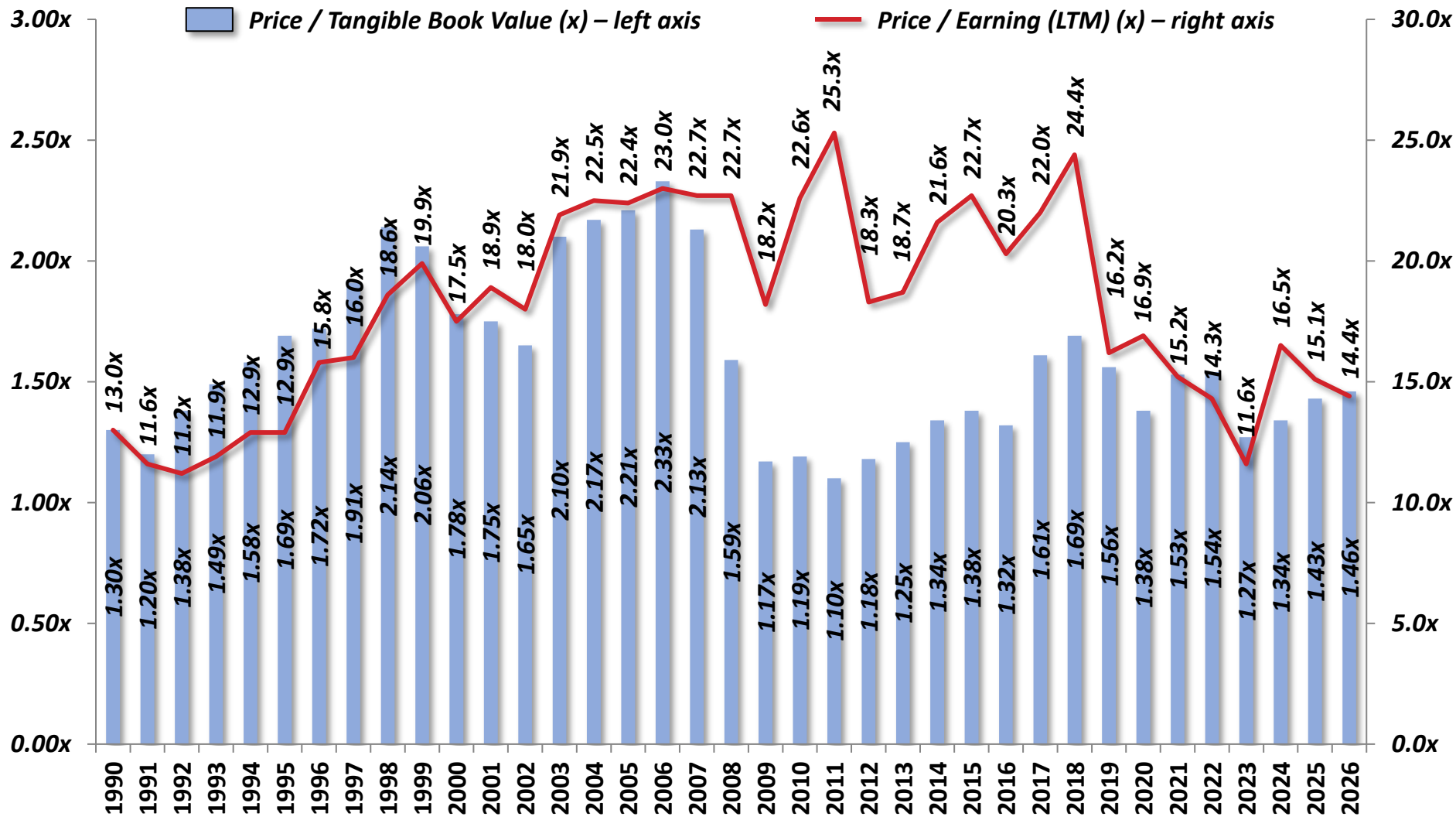
Virginia Institutions

Commercial Banks and Thrifts



Bank M&A Valuation Multiples

Median M&A Transaction Valuation Multiples By Year Since 1990

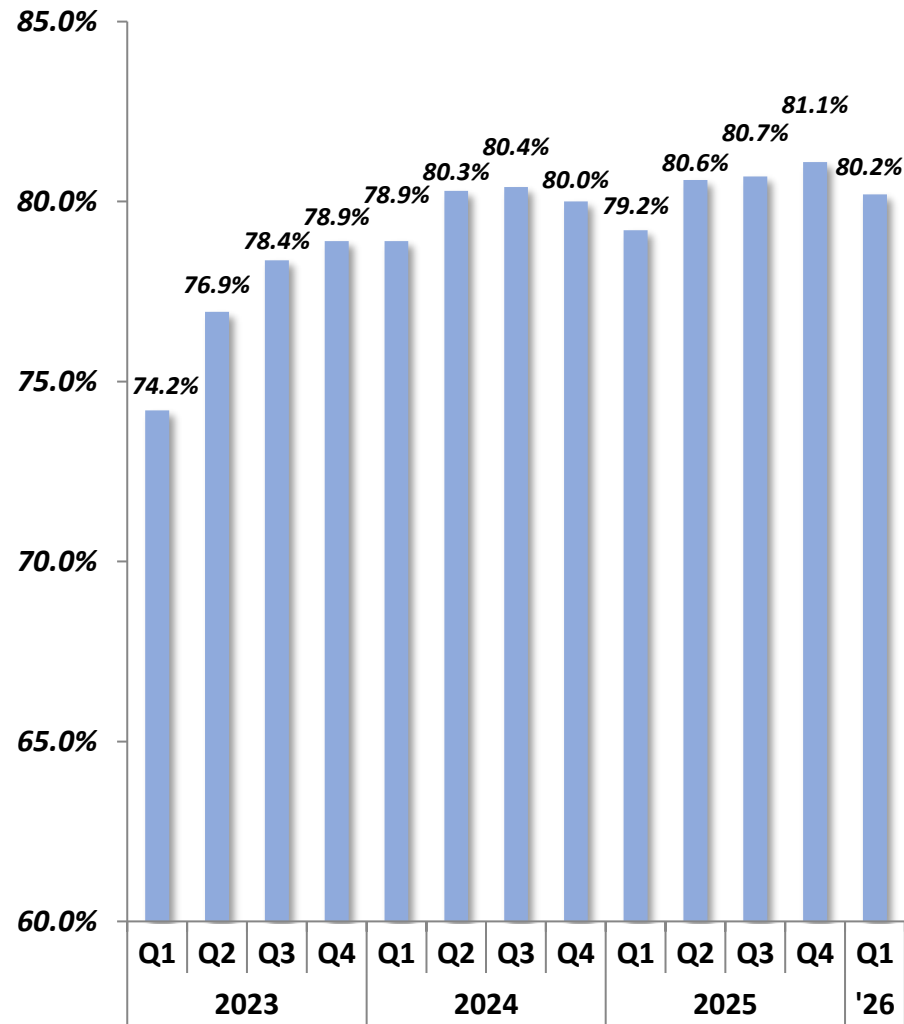


II. Deal Drivers

Liquidity + Cost of Funds

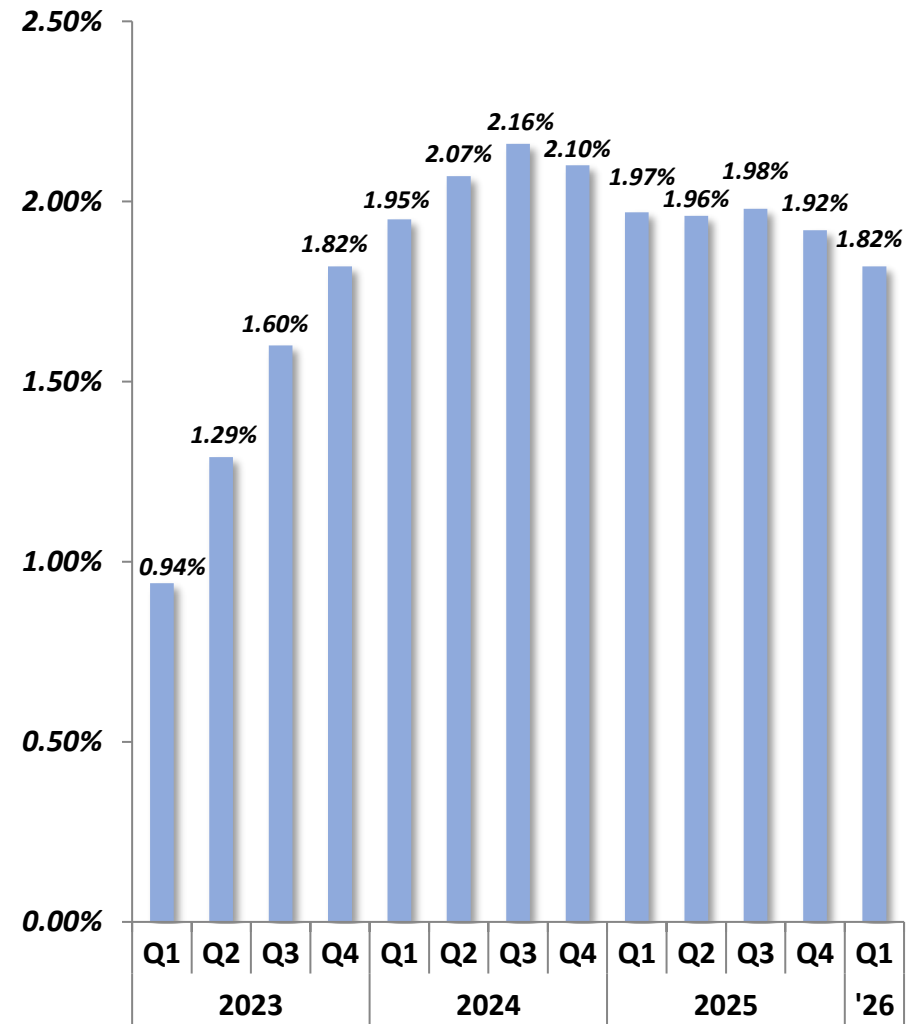
Loan-to-Deposit Ratio

All U.S. Institutions with Assets < \$10B (Median)



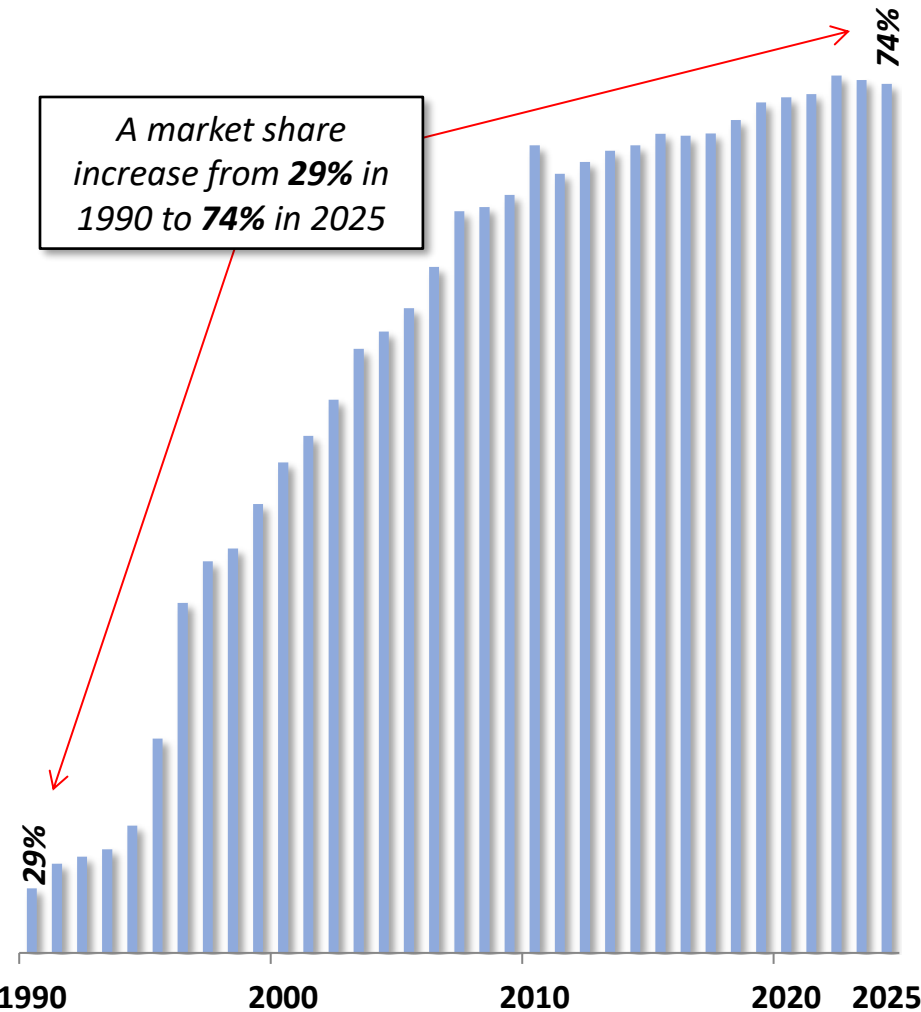
Cost of Funds

All U.S. Institutions with Assets < \$10B (Median)



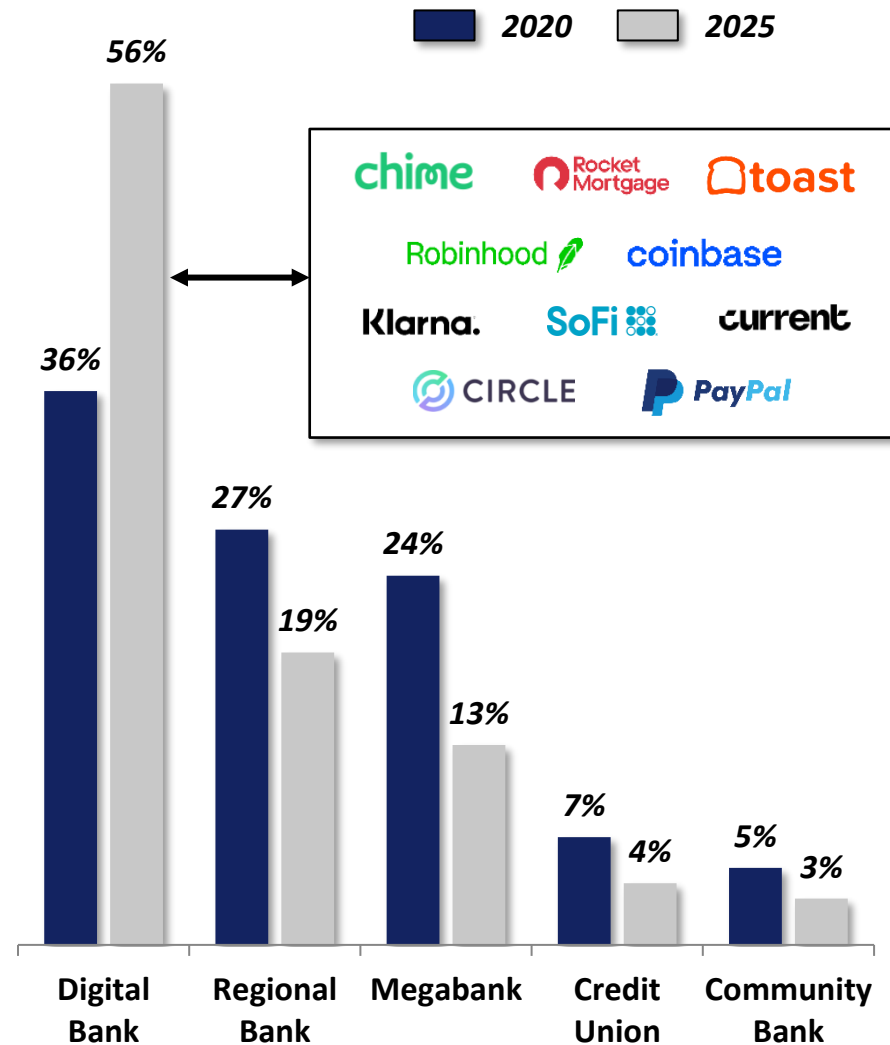
Deposit Market Share of The Top-50 Banks

Since 1990



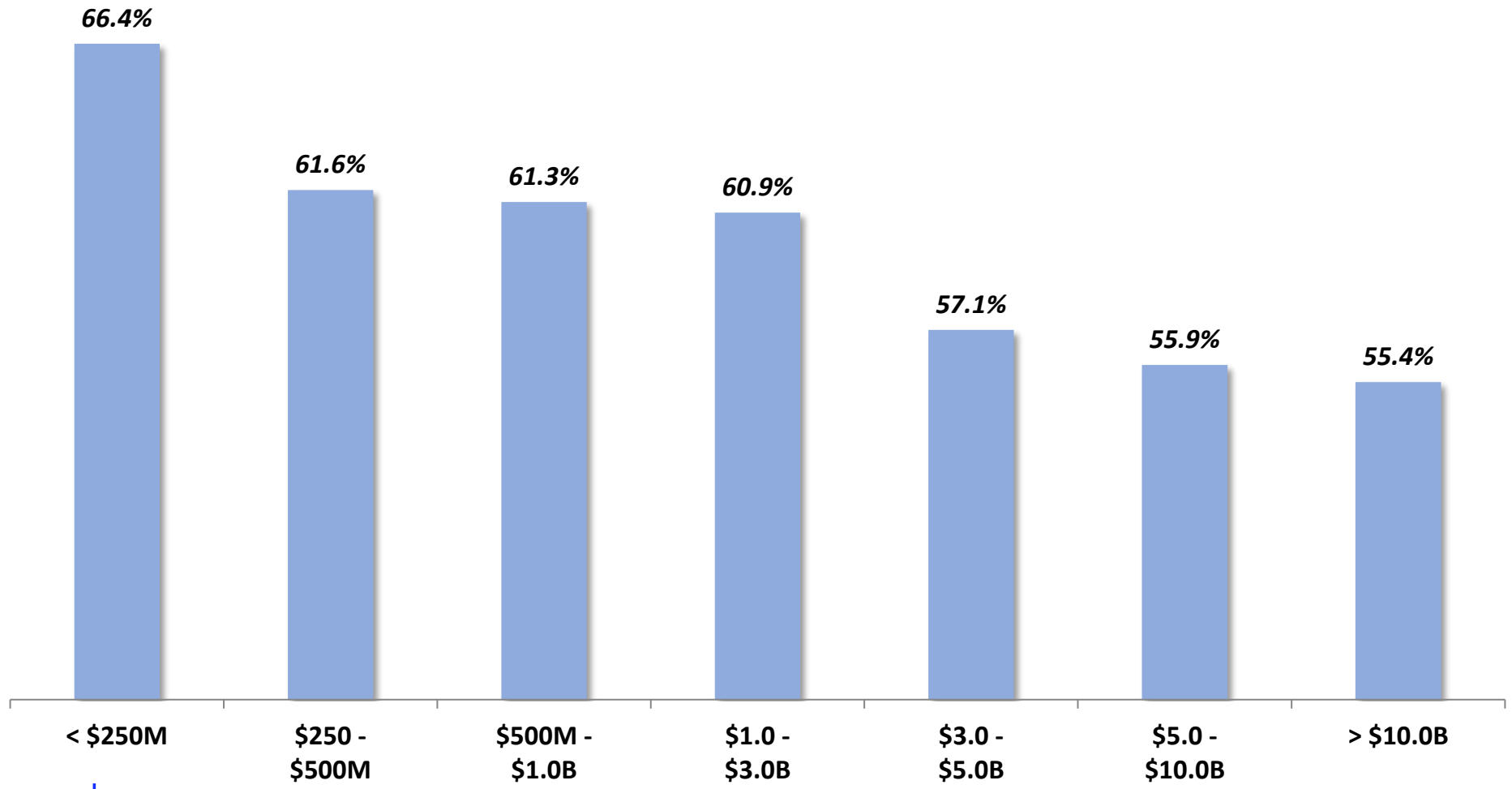
Share of New Deposit Accounts

DDAs by Institution Type



Efficiency Ratio

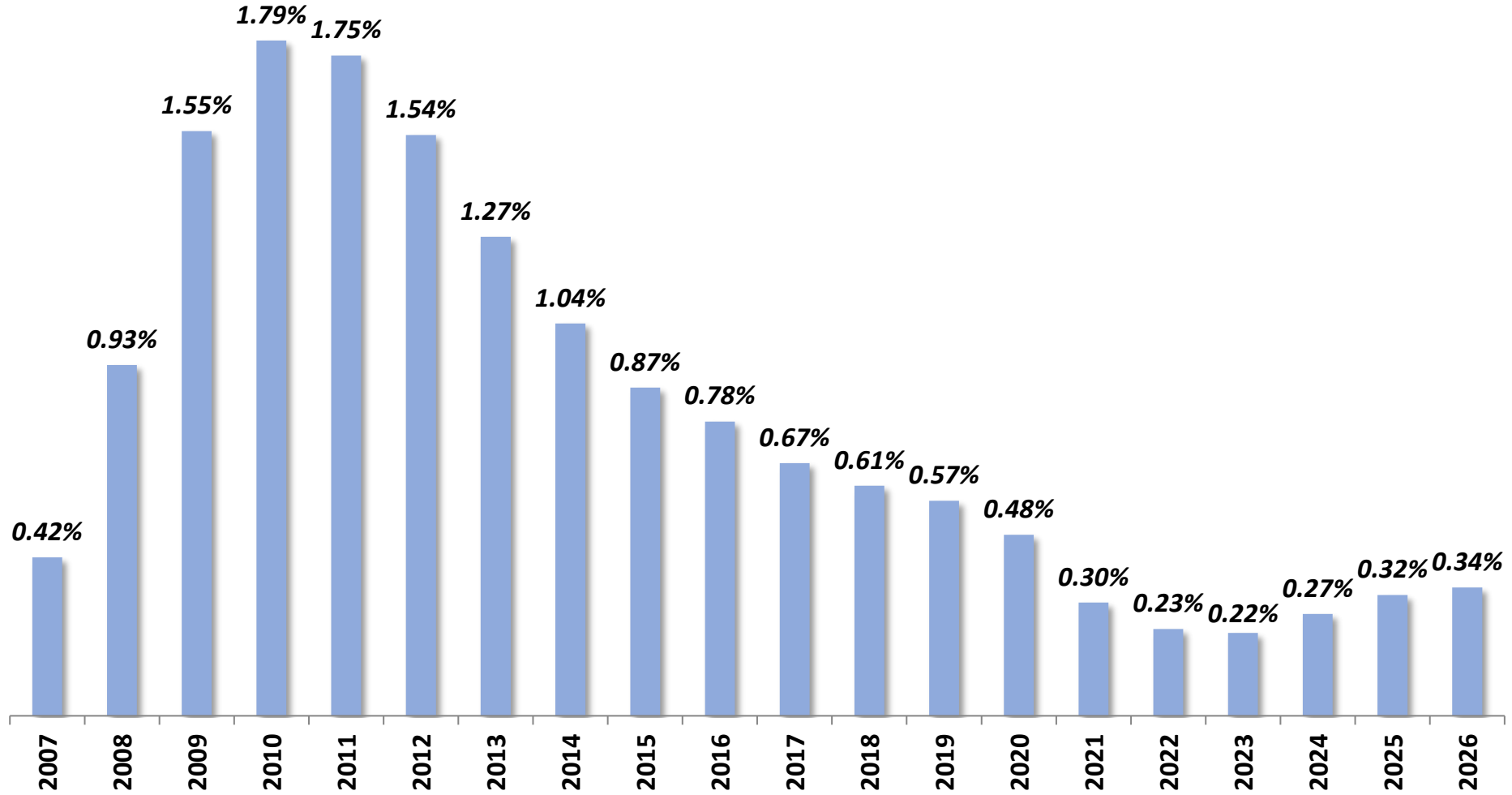
Median of All U.S. Institutions by Asset Size



Credit Quality

NPA / Assets

Median of All U.S. Institutions with Assets < \$10B



Note: Data as of March 31, 2026. Source: S&P Global.

Federal Elections

Bodies Impacted by the Elections

	Obama		Trump		Biden		Trump		?	
Yr.	2012	2014	2016	2018	2020	2022	2024	2026	2028	2030
Type	Presidential	Midterm	Presidential	Midterm	Presidential	Midterm	Presidential	Midterm	Presidential	Midterm
President										
Senate										
House										

III. Strategic Alternatives and Best Practices

Strategic Options Blueprint

Organic and M&A-Related Strategic Options



For Prospective Buyers

Strategic Considerations

Strategic Rationale for an Acquisition

- Operating Scale**
- Deposit Funding and/or Loan Growth**
- Market Share**
- Diversification**
- Enhanced Fee Income**
- Cultural Compatibility**
- Maintain Brand / Identity**
- Minimize Ownership Dilution**
- Human Capital**
- Enhance Overall Franchise Value**

Financial Considerations

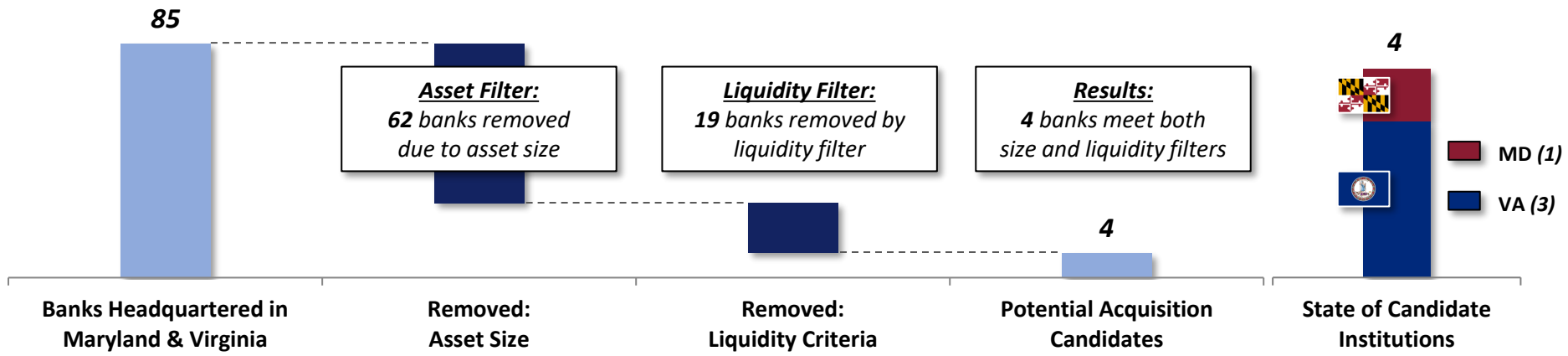
Financial Rationale for an Acquisition

1	Earnings per Share ("EPS") Accretion	EPS increase (or decrease) following a transaction
2	Internal Rate of Return ("IRR")	Return rate where the PV of future cash flows equals zero
3	Tangible Book Value Dilution & Earnback (in Years)	Initial dilution to an acquirer's TBVPS & break-even analysis
4	Regulatory Capital (Leverage Ratio)	Measure of acquirer's pro forma regulatory capital ratios

Acquisition Candidate Screening

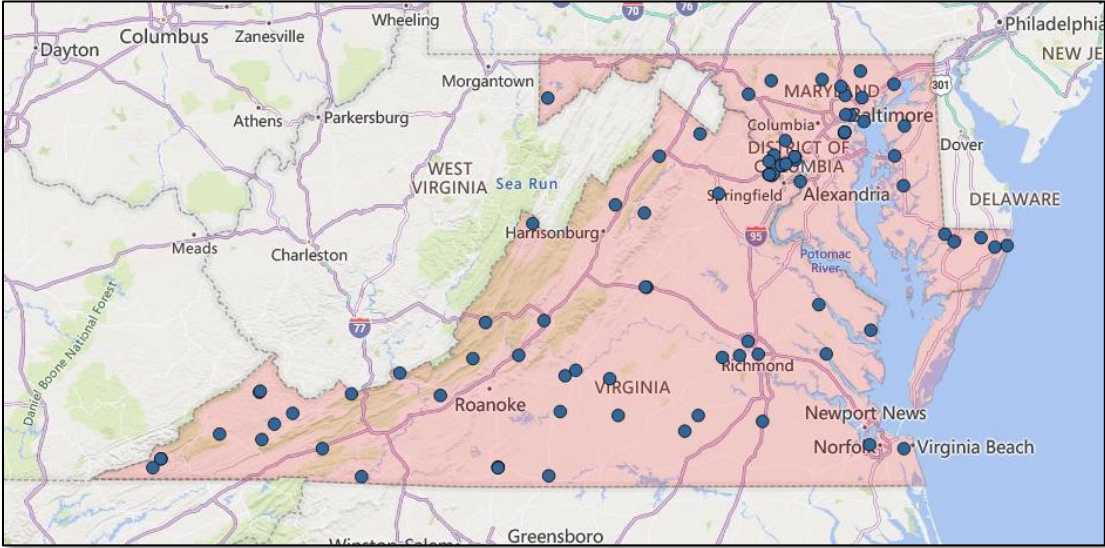
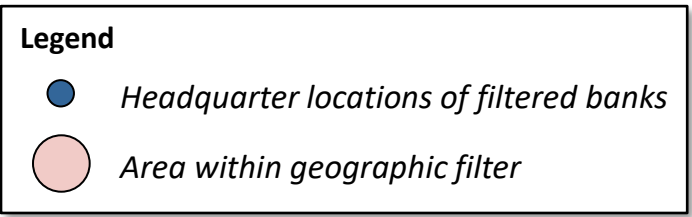
Candidate Identification

Filtered by Geography and Financial Criteria



Geographic Designation

Geographic Filter Based on the Highlighted Area



For Potential Sellers

Illustrative Value Range

		Illustrative Value Range (\$ Millions)					
Valuation Metric	Reference Value (\$MM)	\$75.0	\$100.0	\$125.0	\$150.0	\$175.0	
Precedent Transactions	Net Income 13.2x - 15.1x	\$10.0			\$132.0	\$151.0	
	Net Income Plus Cost Savings 9.0x - 10.2x	\$15.2			\$136.4	\$154.6	
	Tangible Book Value 1.33x - 1.58x	\$100.0			\$133.0	\$158.0	
	Total Assets 13.0% - 14.3%	\$1,000.0			\$130.0	\$143.0	
	Core Deposit Premium 5.2% - 6.5%	\$819.9			\$142.6	\$153.3	
DCF	Discounted Cash Flows 5-Year Projected Cash Flows	NA			\$139.2	\$161.0	
ATP	Ability to Pay Analysis <i>Based on financial criteria</i>	NA			\$135.0	\$160.4	

Analysis at Various Prices












Example Institution	(\$MM)	Indicative Value Range					
		In Millions	\$145.0	\$148.0	\$151.0	\$154.0	\$157.0
Tangible Common Equity	\$100.0	1.40x	1.44x	1.48x	1.52x	1.56x	1.60x
LTM Net Income	\$10.0	14.0x	14.4x	14.8x	15.2x	15.6x	16.0x
LTM Net Income + Cost Savings	\$15.2	9.2x	9.5x	9.8x	10.0x	10.3x	10.6x
Total Assets	\$1,000.0	14.0%	14.4%	14.8%	15.2%	15.6%	16.0%
Core Deposit Premium	\$819.9	4.9%	5.4%	5.9%	6.3%	6.8%	7.3%
Premium to Current Market Price	\$54.0	34.3%	37.0%	39.8%	42.6%	45.4%	48.1%

Notes: For illustrative purposes only. Net income reflects last 12 months. Cost savings represent 30% of last 12 months noninterest expense. Range for discounted cash flow based on terminal multiples of 9.9x to 11.9x and discount rate of 14.9% to 16.9%. Ranges for selected transactions reflect 40th to 60th percentile values. Source: Olsen Palmer analysis.

Options for Exploring a Sale





Sale Process Options

	1. Unilateral Discussions	2. Discreet Marketing Process	3. Broad Auction	4. Private Listing
Description	Discreet negotiations w / only one party	Simultaneous discussions w/ several parties	Formal auction among multiple parties	Customized 2-stage effort: 1) Organized but informal introductory phase then 2) formal offer solicitation from subset of selectees
No. of Parties Involved	One	Some	Many	Select
Benefits	<ul style="list-style-type: none"> Maximizes discretion and optionality Enhanced relationship with acquirer may increase value Greater diligence on prospective acquirer 	<ul style="list-style-type: none"> Avoids “all eggs in one basket” Leverage multiple parties Utilizes proprietary market intelligence to exclude irrelevant parties 	<ul style="list-style-type: none"> Typically maximizes value Maximizes negotiating leverage Minimizes the duration to closing 	<ul style="list-style-type: none"> Balance leveraging multiple parties while maintaining discretion Introductory meetings increase familiarity and value while providing an opportunity to assess potential acquirer ‘Flips the tables’ such that buyers are competing for the right to bid
Limitations	<ul style="list-style-type: none"> Value may be lower than broad auction Time lost if talks are unsuccessful Longer duration to closing 	<ul style="list-style-type: none"> Less discreet than unilateral discussions Value may be lower than broad auction 	<ul style="list-style-type: none"> Least discreet of the options Arms-length process may dissuade certain buyers 	<ul style="list-style-type: none"> Entails relationship building with multiple parties Longer, more-involved process
Summary:				
Discretion				
Value Maximization				
Speed to Closing				

<i>Action</i>	<i>Description</i>
	Understand M&A environment, deal drivers, and valuation implications
	Educate board on M&A landscape, valuation, deal process, fiduciary duties, and risks
	Review periodically, all potential strategic options
	Determine your bank's estimated actual market value before initiating a sale
	Identify and actively monitor the list of potential acquirers
	Initiate and maintain relationships with potential acquirers
	Evaluate The different 3 options for achieving a sale: 1) one-off, 2) discreet process, 3) broad auction
	Revisit term and penalties of any long-term commitments, especially data processing
	Refresh employment agreements and affiliated documents
	Avoid "window dressing"
	Engage expert advisors – especially investment banking and legal – well before any potential deal

Remaining Independent

Key Challenges + Solutions

Key Topic	Description
<p>1</p>  <p><u>Shareholder Returns</u></p>	<ul style="list-style-type: none">• Balance shareholder dividends with capital retention for growth• Realize return on equity that surpasses cost of capital
<p>2</p>  <p><u>Shareholder Liquidity</u></p>	<ul style="list-style-type: none">• Increase daily trading volume• Prepare for succession planning of large holders
<p>3</p>  <p><u>Management Succession</u></p>	<ul style="list-style-type: none">• Ensure plan for long-term succession for both management and Board• Identify and proactively address other human capital needs
<p>4</p>  <p><u>Remain Relevant</u></p>	<ul style="list-style-type: none">• Invest in technology• Remain competitive with increasingly deep pool of non-banks & fintechs

1

M&A marketplace went from cool to hot

2

While broad outlook – economic, interest rate, and geopolitical – is opaque, deal activity is persisting

3

Multiple unrelated seismic factors are driving consolidation

4

If acquisitive, prepare in general and, in particular, be prepared to act while window is open

5

If potential seller, prepare in general and, in particular, act while window is open

6

If remaining independent, earn your independence and solve for shareholder liquidity, succession, and remaining competitively relevant

7

Be prepared for elevated consolidation, over both the next ~2.5 years and longer-term

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