

GERRISH McCREARY SMITH

Consultants and Attorneys

The Board's Role in Mergers and Acquisitions

As the steady stream of merger and acquisition transactions continues among community banks, many organizations are “testing the waters” to see whether a good deal is available that would increase profitability and enhance value for the organizations’ shareholders. Though each institution’s role in the consolidating environment is unique, one area of commonality among all transactions is the board’s role in the process. In hopes of avoiding a detailed, formulaic checklist of issues each board of directors should consider, provided below are a number of practical things the board should bear in mind as it tests or navigates the merger and acquisition waters.

1. Do your job.

When considering acquisitions, the board’s real job is still to enhance shareholder value. An acquisition can be “just another deal” or it can be a true strategic maneuver to boost the franchise value and enhance shareholder value. Keep an eye on how the acquisition will improve the bank’s financial performance over a baseline as it relates to earnings per share, return on equity, liquidity for the shareholders, and dividends. It can be easy for a board, particularly one with little merger and acquisition experience, to get overwhelmed. Despite the details, do not take your eye off the principal obligation to enhance shareholder value.

2. Iron out the social issues first.

Notwithstanding the financial meltdown the country has experienced over the last seven years, for a community banker to sell his or her bank can still be a

traumatic, emotional experience for everyone involved. A recent survey of bank insiders in the industry revealed that cultural and social issues are the most likely reason a deal would go sour. Among such cultural and social issues that need to be addressed are who will be the CEO, who will make up the senior management team, who will remain on the board of directors, what will the company be called, where will the world headquarters be located, will the seller bank be merged so it becomes a branch, will director fees still be paid, and the like. To avoid potentially unnecessary negotiation and expense, identify and address social issues first. They are more likely to derail a transaction than the financial issues.

3. Understand how you price an acquisition.

The bottom line is when your bank acquires that other bank, your shareholders need to be better off than they would have been had your bank not acquired the other bank. This means if your bank is giving cash as consideration, your bank needs to get more earnings out of that bank than the cost of the cash given up. If your bank is giving up stock, it needs to get more earnings per share than it would have had on the baseline to justify giving up more shares. A community bank with non-traded and non-listed stock that is buying another community bank with non-traded and non-listed stock for stock also needs to understand the relative values of the two companies. In other words, if the target thinks its bank is worth 1.2 times book value and you think your bank is worth 1.8, the relative values are different. Understanding these financial aspects is critical to getting your shareholders the best deal.

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GERRISH McCREARY SMITH
THE CLIENT'S NEEDS COME FIRST

4. Assess the bank's capacity.

Do not head down the acquisition road if it is simply not possible. To test the waters when your organization does not have the capacity is simply a waste of time and expense. It may be that your bank is in the regulatory penalty box due to a compliance or fair lending issue, or it may be that your bank does not have adequate capital. The market is currently at a pricing disequilibrium where buyers want to pay less than sellers want to receive. Understand where your board's comfort level is on the spectrum before committing to the process.

Also, test the board's capacity for debt or an exchange of stock that would result in a large shareholder. Many boards talk a good game about debt financing acquisitions, but when it comes down to actually doing it, they balk. Others balk when they realize that the target shareholders are going to have a large portion of the resulting organization. Vet these issues early on. It will save your bank valuable resources.

5. Know your exposure.

Do not take your eye off director's liability. Acquisition transactions are subject to heightened scrutiny, requiring the board of directors to be able to demonstrate (1) the adequacy of its decision-making process, including documenting the information on which the board relied on reaching its decision, and (2) the reasonableness of its decision in light of the surrounding circumstances. In more simple terms, the scrutiny generally is with respect to the "process," not necessarily the final decision. Establish an appropriate board process. This may involve the establishment of an independent acquisition committee and will most likely involve obtaining a fairness opinion from a qualified valuation expert.

Boards of directors involved in any type of sale process or sale evaluation must take extra steps to ensure that they are fulfilling their enhanced fiduciary responsibilities to the shareholders. Using board committees and consultants to help the board structure the "process" of evaluating a sale is very helpful to fulfilling the board's responsibilities.

6. Do not forget due diligence.

Even with the industry's improved asset quality, due diligence remains paramount for both buyers and

sellers. Today's due diligence involves not only asset quality issues, but compliance issues as well, particularly in the area of unfair, deceptive, and abusive practices and fair lending. Make sure you do an effective compliance due diligence, particularly in the common trouble areas of unfair, deceptive, and abusive practices and fair lending. Due diligence is not just has the target bank filed its tax returns, are there environmental issues, is the target up-to-speed on employee benefits, and is the target's allowance correct? It is a holistic assessment of the target organization to make sure your bank knows what it is getting into on the front end.

7. Get professional help.

Other than being shameless self-promotion, if your bank and holding company do not get professional help early on, you may need professional help of the psychiatric variety later. Since the Great Recession, seemingly every attorney or consultant who has stepped into a bank claims to be "able" to do a bank deal. Make sure you are dealing with someone who understands the acquisition process and environment and has a track record to back him or her up. We stand ready to assist on all sides of the transaction, including financial advisory and legal.

GERRISH MCCREARY SMITH DIRECTOR TRAINING MATERIALS

Philip Smith, Gerrish McCreary Smith, has written and produced a three-DVD series for director training that is available through the Independent Community Bankers of America (ICBA) Education Department:

Key Issues for Community Bank Directors

- Tips for Strategic Planning (26 minutes)
- The New Merger and Acquisition Market (28 minutes)
- Compliance for Bank Directors (23 minutes)

The DVD series is available for ordering on the ICBA's webpage at www.icba.org/education (click the "Director" link in the lefthand column), or go to www.gerrish.com/pubs.php.

THE ADVANTAGES OF A BANK HOLDING COMPANY

For years, our firm has recommended that community banks reorganize into a bank holding company structure. This structure, which is currently utilized by approximately 80% of the nation's banks, offers numerous benefits to community banks, including increased capital flexibility and additional opportunities for shareholder liquidity, as well as flexibility in acquisitions, branch expansion, capital raising, and new products and services.

Since 1980, these benefits have been enhanced by the Small Bank Holding Company Policy Statement ("Policy Statement"), which, in summary, provides that small bank holding companies are tested for capital only at the bank level instead of both at the bank and on a consolidated basis. While the benefits of a bank holding company structure are available to all banks, thanks to recent legislation, now even more institutions will be able to benefit from the Policy Statement.

Benefits of Bank Holding Companies

The key strength of bank holding companies is flexibility. For example, one opportunity provided by the bank holding company structure is the ability to offer additional products and services at the holding company level. According to federal regulation, bank holding companies may engage in any activity that is "closely related to banking," such as acting as an insurance agent or broker for certain types of insurance, making or acquiring loans that the bank is unable to make or acquire, leasing personal or real property, providing data processing services, or offering consumer financial counseling, among numerous other permissible activities. Thus, the bank holding company structure not only increases capital flexibility for the bank, but it also provides holding companies with an opportunity to offer additional products and services to supplement consolidated income and permit the bank to retain more of its earnings for other purposes.

Another opportunity afforded to holding companies is capital flexibility. Since a holding company is simply a state chartered corporation, it can utilize virtually any type of equity structure (except for an S corporation, which can only have one class of stock), such as preferred stock, common stock, and different classes of each. As an added benefit, bank holding companies also have flexibility in the ability to repurchase shares of stock. Whereas banks that are not owned by a holding company typically have to receive approval from the regulators and the bank's shareholders before repurchasing bank stock from shareholders, a repurchase of shares by a bank holding company does not require any approval unless the repurchase, when combined with any other repurchases within the last 12 months, is for greater than 10% of the company's consolidated net worth (and certain other exclusions from prior approval are not met). As a result, the bank holding company can create a market for its stock and provide liquidity to shareholders that may, for whatever reason, be in a position where they need to sell their shares of the company stock.

In addition to flexibility in issuing and repurchasing equity, a holding company also has flexibility in that it may utilize various forms of debt. For example, the holding company can use traditional, collateral-backed notes, and it can also use long-term debentures. In either case, the holding company is able to deduct the interest cost while pushing the money down into the bank as new equity capital.

Again, regardless of the structure or features of the debt, holding companies have the ability to push leveraged funds down into the bank as capital. For larger organizations above \$1 billion in consolidated assets, even though capital is tested on a consolidated basis, the organization benefits in that the Federal Reserve generally requires a Consolidated Leverage Ratio of around 5% to 5.5%, whereas the subsidiary bank is required to have a Tier 1 Leverage Ratio of greater than 8% or 9%. For smaller organizations, on the other hand, this debt-financed capital structure is even more attractive because capital is not tested on a consolidated basis, which brings us to the Small Bank Holding Company Policy Statement.

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The Small Bank Holding Company Policy Statement

As noted above, new legislation was enacted that increases the Policy Statement's asset threshold for being considered a "small bank holding company" from \$500 million to \$1 billion in consolidated assets, which, according to the Federal Reserve, will result in almost 90% of all bank and savings and loan holding companies falling within the scope of the Policy Statement. Assuming certain requirements are met, those 90% of bank and savings and loan holding companies will be tested for regulatory capital purposes only at the bank level, not on a consolidated basis.

In order to take advantage of the Policy Statement's benefits, a bank holding company must not engage in any significant non-banking activities, must not conduct significant off-balance sheet activities, and must not have a material amount of debt or equity securities outstanding that are registered with the Securities & Exchange Commission. Also, the Policy Statement requires parent holding companies to retire any new debt within 25 years of the time the debt is incurred and to reduce its debt-to-equity ratio to 30% or less within 12 years of the date the debt is incurred. So long as these requirements are met, the Policy Statement allows these smaller bank holding companies to take advantage of the traditional benefits of the bank holding company structure without being tested for capital on a consolidated basis.

Again, all bank holding companies can take advantage of the share repurchasing flexibility, but for those institutions with less than \$1 billion in consolidated assets, the Policy Statement offers an additional advantage in that the repurchases can be funded by debt at the holding company level without negatively impacting the bank's capital ratios initially. The bank will be required to dividend funds to the holding company on a periodic basis to service the debt, but the share repurchases can effectively be financed over time without taking a large chunk of capital out of the bank on the front end.

Moreover, regarding products and services offerings, institutions with less than \$1 billion in consolidated assets can continue to offer new products and services at the holding company level, but losses

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Books Available

The Bank Directors' Bible: Commandments for Community Bank Directors, 3rd Edition – A compilation of "Ten Commandment" articles for bank directors and executive officers on topics ranging from strategic planning to mergers and acquisitions to dealing with the regulators and troubled banks.

Gerrish's Glossary for Bank Directors, 2nd Edition – The second edition of *Gerrish's Glossary for Bank Directors* is now available! Providing over 200 pages of definitions for customary industry terms, the revised second edition is the ideal tool for your board to use when it encounters unfamiliar terminology. This edition is available as a paperback book or a searchable .pdf format for directors to access on the board's electronic board portal.

To obtain information about purchasing either of these books, please contact Linda Dandridge at (901) 684-2323 or ldandridge@gerrish.com.

GERRISH'S MUSINGS

Gerrish's Musings is a complimentary, twice-per-month newsletter based on Jeff Gerrish's recent experiences with community banks around the nation. It is designed for bank directors and officers and is "choked full" of relevant, practical commentary to benefit community bank boards and officers.

As noted, Gerrish's Musings is a complimentary, twice-per-month newsletter and available by email for your entire board and officer group. For further information, please contact Linda Dandridge at (901) 684-2323 or ldandridge@gerrish.com.

from those activities do not threaten bank-only capital ratios. On the other hand, income from such activities can be pushed down into the bank as capital.

Overall, the increase in the Policy Statement's asset threshold is a significant win for community banks across the nation and enhances many of the benefits of the bank holding company structure for community banks with less than \$1 billion in consolidated assets.

For those institutions meeting the Policy Statement's requirements that currently have less than \$500 million in consolidated assets, Policy Statement revisions open the door to additional growth opportunities without fear of a shift in capital reporting requirements as a result of crossing the \$500 million asset threshold (though certain corporate governance issues must still be considered if your institution plans to cross that threshold).

For those organizations meeting the above criteria that currently have greater than \$500 million in consolidated assets but less than \$1 billion in consolidated assets, congratulations! Your organization now falls under the Policy Statement and is exempt from the consolidated capital guidelines applicable to larger bank holding companies and is subject to less frequent and simpler regulatory filing requirements.

If any of you would like any additional information on the Policy Statement or the general benefits of a bank holding company structure, please let us know.

BASEL III's AOCI "OPT-OUT" ELECTION

As of January 1, 2015, all community banking organizations are subject to the revised Basel III capital framework. According to Basel III, accumulated other comprehensive income, such as gains and losses on available-for-sale securities, is included in regulatory capital for all institutions by default. Under such an approach, fluctuations in the value of available-for-sale securities would impact the organization's capital ratios, for better or for worse.

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SCHEDULE YOUR STRATEGIC PLANNING NOW

Several members of Gerrish McCreary Smith, Consultants and Attorneys, facilitate strategic planning sessions for community banks. It is not too early to think about scheduling your 2015 planning session! Please call Linda Dandridge at (901) 684-2323 to secure a date for your Board's retreat.

Despite this default treatment, financial institutions with less than \$250 billion in assets may “opt-out” of accumulated other comprehensive income’s inclusion in regulatory capital by making a one-time election on its Call Report for the period ended March 31, 2015. Banks that choose to “opt-out” of the Basel III treatment will continue to have their regulatory capital calculated in the same manner as all previous quarters. Banks that fail to make the one-time election will cause accumulated other comprehensive income (i.e., an unrealized gain or loss on securities) to be included in the organization’s regulatory capital calculation. Such a change would be a departure from the current method of calculating regulatory capital.

Community banks that choose to “opt-out” of the organization’s accumulated other comprehensive income being included in regulatory capital must enter “1” for “Yes” on Item 3.a. to Schedule RC-R Part I.B. on the Call Report for the period ended March 31, 2015. Moreover, while not a formal requirement, the federal regulators also expect the institution’s board of directors to take some type of action to direct management or the appropriate individual to make the “opt-out” election. Our firm has assisted numerous organizations in preparing board resolutions memorializing the board’s desire for the bank to “opt-out.” If your organization would like assistance in this regard, please let us know.

Once an initial election is made, the organization cannot change its election unless it merges with or acquires all or substantially all of the assets of another institution that made a different election. For this reason, an organization’s election should be a strategic, long-term decision by the board of directors and senior management team. Based on our discussions with numerous community banks across the country, we anticipate the overwhelming majority of community banks will elect to “opt-out” of accumulated other comprehensive income’s inclusion in regulatory capital. While choosing not to make the election may benefit the bank’s capital in certain circumstances, the lack of election also exposes the bank’s capital levels to potentially significant downside risk. As such, our firm believes community banks will be in a significantly stronger position to succeed in the long-term by making an affirmative “opt-out” election.

If any of you need additional information regarding the accumulated other comprehensive income election or the interim final rules generally, please email Jeff Gerrish at jgerrish@gerrish.com.

THE CHAIRMAN’S FORUM NEWSLETTER

The Chairman’s Forum Newsletter is a complimentary monthly email newsletter exclusively designed for Chairmen. The Newsletter is the response to the overwhelming success of the ICBA’s Community Bank Chairman’s Forum Conference hosted by Gerrish McCreary Smith twice yearly.

If you would like to subscribe, please contact Carolyn Martin at (901) 684-2326 or cmartin@gerrish.com.

GERRISH McCREARY SMITH AFFILIATED RESOURCES

Over the last 30 years or so of exclusively helping community banks across the nation, we have developed relationships with various service providers who we believe provide the best services in their particular niche. This includes bank branch location specialists, IPO managers, securities transfer agents, loan review specialists, auditors, bank technology specialists, executive placement firms, and the like.

If you need any of these services, or others, and are not sure who to call, please let me know and we will provide some recommendations.

Jeff Gerrish
jgerrish@gerrish.com

CHECKING THE CHECKER - FAIRNESS OPINIONS

As discussed in this Newsletter, whether the community bank is the buyer or the seller, the bank's board of directors has an irreplaceable role in merger and acquisition transactions. Although there are a number of critical issues for the board to consider, one issue is the issuance of a fairness opinion with respect to the transaction. A fairness opinion in an acquisition transaction is simply an opinion by a valuation professional that the transaction is fair to the selling shareholders (or in some cases, the buying shareholders) from a financial point of view. Fairness opinions are generally prepared by investment bankers, financial advisory firms, such as Gerrish McCreary Smith, Consultants, and others.

According to a recent mergers and acquisitions survey, approximately half of the surveyed institutions indicated a preference for a mix of stock and cash as consideration in a sale-side transaction. As such, it is often the case that a potential buyer brings its stock to the negotiation table. When assisting with a community bank merger or acquisition transaction involving stock, our firm always stresses to our client the importance of getting a fairness opinion related to the buyer's stock—regardless of whether the client is the buyer or the seller.

As noted above, the fairness opinion is simply a written opinion from a financial advisor that the transaction, as structured, is fair to the seller's shareholders from a financial point of view. When a community bank sells, particularly for stock, and often for cash, the selling board usually gets a fairness opinion. When a purchasing bank is purchasing for stock, it too will often get a fairness opinion to make sure that the stock it is issuing to the target shareholders still is a fair purchase price for its own shareholders. The fairness opinion is generally issued at the time the definitive agreement is signed for an acquisition transaction, and often receiving an update to that opinion is a condition to closing.

The fairness opinion ultimately helps to protect the directors from any later shareholder complaints with respect to the fairness of the transaction or claiming that the directors did not do their job. Conditioning

the transaction's closing on the receipt of an updated fairness opinion will further protect the seller by permitting it to terminate the transaction in the event of a significant, negative change in fair value between the time the contract is signed and the closing.

While the function of a fairness opinion is clearly beneficial, the traditional issuer of such opinions is inherently conflicted. In the financial services industry, the investment banker or financial advisor that the bank hires to find the buyer or seller and then put the deal together is often the same party the bank hires to issue the fairness opinion. In other words, the firm that structures and negotiates the transaction (and often receives a "success fee" for doing so) is responsible for opining that the transaction is "fair" to the shareholders from a financial point of view.

Our firm has always viewed this as a conflict of interest within the community banking sector—as have a number of courts. Our suggestion is this: if your bank is going to use an investment banker or financial advisor to find and structure the transaction, either get a fairness opinion from a separate party, or get a second fairness opinion to "double-check the checker."

While our firm has issued a number of fairness opinions related to community bank transactions, and while we are happy to consider the fairness of a transaction for your organization, the reality is the board needs to be protected, and it needs to be protected by an independent third party, whether that is our firm or another.

Whether a transaction is fair to the shareholders from a financial point of view depends on both subjective and objective factors, but one of the subjective factors should not be the provider of the opinion. The board of directors deserves more objective protection than that. Accordingly, for the board's benefit and the benefit of the shareholders, make sure the fairness opinion is independent.

We stand ready to assist.

Follow us on Twitter!
[@GMS_Memphis](https://twitter.com/GMS_Memphis)

RESOURCE MATERIALS

Gerrish McCreary Smith has created numerous Memos to Clients and Friends on various topics (available free of charge). Set forth below are sample Memos to Clients and Friends:

Acquisitions

- Responding to Unsolicited Offers
- Restrictions on Stock Received in a Merger or Acquisition Transaction

Employee Benefit Issues

- Incentive Compensation Plans
- Requirements of Employee Stock Purchase Plans

Raising and Allocating Capital

- Raising Capital Without Registering with the SEC
- Stock Repurchase Plans

Regulatory

- Qualified Mortgage Rule
- Civil Money Penalty Process
- Basel III's Capital Conservation Buffer

Subchapter S

- Maintaining a Subchapter S Election
- Use of S Corporations by Financial Institutions

Miscellaneous

- Loan Production Offices
- Efficient Conduct of Board Meetings
- Enterprise Risk Management
- Tax Allocation Agreements
- Institutions with Over \$500 Million in Total Assets

Gerrish McCreary Smith, in connection with various speaking engagements around the country, has created high quality "handout" booklets. The publications below are available for a nominal charge:

The Community Bank Survival Guide: How to Survive and Thrive

A Fresh Start: Shareholder Value for a New Environment

Understanding the Director's Role

Corporate Governance

A Director's Guidebook to Effective Board Compliance

Directors' Responsibilities in Mergers & Acquisitions: Responding to the Unsolicited Offer

Evaluating Bank Options: Remaining Independent or Preparing to Merge

Family-Owned or Closely-Held Bank Issues

How to Flourish in a Dodd-Frank World

Is a Holding Company in Your Bank's Future?

Mergers & Acquisitions Are Back: Don't Miss Your Opportunity

New Truths About Directors, Shareholders and Regulators (Including Compliance)

A Positive Look at Community Banking

The Pros and Cons of Converting to Subchapter S

Strategic Planning: Don't Make Me Do It!

Succession Planning and Other Truths About Directors, Shareholders, and Regulators

If you are interested in any of these memos or publications, please call or email Linda Dandridge at (901) 684-2323 or ldandridge@gerrish.com.

Please visit our website at: www.gerrish.com

AREAS OF SERVICE

Gerrish McCreary Smith, LLC, Consultants and Gerrish McCreary Smith, PC, Attorneys are committed to the delivery of the highest quality, timely and most effective consulting and legal services **exclusively to community financial institutions** in the following areas:

FINANCIAL ADVISORY/ CONSULTING SERVICES

Acquisition Financial Analysis
Capital Planning
Subchapter S Financial Modeling
Directors' Liability
Mergers and Acquisitions
Executive Compensation
Acquisition Pricing
Employee Benefits
Bank/Stock Valuation Analysis
Estate Planning
Strategic Planning
New Bank Formations
Tax Planning
Going Private
Subchapter S Corporations
Expert Witness
Transaction Pricing Analysis
Fairness Opinions

LEGAL SERVICES

Mergers and Acquisitions
ESOPs
Dealing with the Regulators
Securities Offerings
Going Private
Director and Officer Liability
Private Securities Placements
Fair Lending
Subchapter S Formations
Executive Compensation
Holding Company Formations
Federal and State Taxation
New Bank Formations
General Corporate & Securities
Regulatory Enforcement Actions
Probate
Employee Benefits
Estate Planning for Executives

CUSTOM DIRECTOR PROGRAMS & PRESENTATIONS

In addition to facilitating numerous strategic planning retreats and proprietary director and officer training sessions, Gerrish McCreary Smith also has recently provided speakers for the following trade associations:

- Alabama Bankers Association
- American Bankers Association
- Arkansas Community Bankers
- Bank Holding Company Association
- California Independent Bankers
- Community Bankers Association of Georgia
- Community Bankers Association of Illinois
- Community Bankers of Iowa
- Community Bankers of West Virginia
- Independent Bankers of Colorado
- Independent Community Bankers of America
- Independent Community Banks of North Dakota
- Independent Community Banks of South Dakota
- Indiana Bankers Association
- Iowa Independent Bankers
- Michigan Association of Community Bankers
- Montana Independent Bankers
- Nebraska Independent Community Bankers
- Pennsylvania Bankers Association
- South Carolina Bankers Directors College
- Tennessee Bankers Association
- Virginia Association of Community Banks
- Washington Bankers Association
- Western Independent Bankers

Topics include strategic planning, mergers and acquisitions, enhancing/maintaining shareholder value, dealing with the regulators, employee benefits, mediation, corporate governance, and similar topics.

Please email us or visit our website at www.gerrish.com for a complete listing of upcoming conferences and seminars at which we will be providing speakers. Gerrish McCreary Smith, Consultants and Attorneys, is also available to facilitate strategic planning retreats and proprietary director training designed for your board of directors.

Recent Transactions

WSFS Financial Corporation

Bank Holding Company for

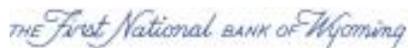


Wilmington, Delaware

has acquired

First Wyoming Financial Corporation

Bank Holding Company for



Wyoming, Delaware

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to First Wyoming Financial Corporation and The First National Bank of Wyoming.

November 2013

Security Financial Services Corporation

Bank Holding Company for



Durand, Wisconsin

has acquired

Bloomer Bancshares, Inc.

Bank Holding Company for



Bloomer, Wisconsin

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Bloomer Bancshares, Inc. and Peoples State Bank of Bloomer.

February 2014

TS Contrarian Bancshares, Inc.

Bank Holding Company for



Treynor, Iowa

has acquired

Tioga Bank Holding Company

Bank Holding Company for



Tioga, North Dakota

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Tioga Bank Holding Company and The Bank of Tioga.

May 2014



Fairfield, Iowa

has acquired



Keota, Iowa

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Farmers Savings Bank.

June 2014



Effingham, Illinois

has announced its acquisition of

First Federal MHC

Mutual Holding Company for



Mattoon, Illinois

Gerrish McCreary Smith, Consultants and Attorneys, served as financial and legal advisors to Washington Savings Bank.

January 2015

To discuss your institution's strategic transaction opportunities, please contact Jeff Gerrish at jgerrish@gerrish.com or Philip Smith at psmith@gerrish.com.

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