

Finding Investments & Selling Them Inside the Bank

2006 National Community
Reinvestment Conference



Finding Good Investments



- Know your products: In order to meet your customers' needs once you have identified them
- Networking:
 - Community Relations staff- Learn the players in your footprint
 - Attend local community and professional events
 - Attend industry conferences; Volunteer to speak
- Cross-Market: Mine existing relationships

Finding Good Investments



- Collaboration:
 - “Syndication”
 - New Opportunities
- Embrace New Products:
 - Increase your product set → Better meet customer needs
 - Enhances innovation
- Educate your peers: Internally & Externally

Achieving Internal Buy-In



- Be proactive in championing worthwhile ideas
- Achieve buy-in before seeking approval:
 - Involve your credit person early and often
 - If you have internal counsel, involve them early & often
 - Identify potential issues ASAP and address them before going to committee

Achieving Internal Buy-In



Collaboration: We are collaborators, not competitors

- Due Diligence: Reference check new customers early
 - Use combined investor influence to more effectively negotiate terms
 - “Syndication”/Risk Sharing
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- Be strategic: Know your institution’s strengths & weaknesses → *It’s okay not to do every deal*
 - Trying to fit a round peg in a square hole is inefficient & ineffective

Achieving Internal Buy-In



- Regularly reality check underwriting criteria—Do they truly reflect current market conditions?
- Leverage your institution's expertise & competitive advantages—and optimize your resources
 - Be the very best at what your institution is good at—this allows you to more quickly respond to customer requests
 - Grow strategically → Fund strong intermediaries where your resource capacity doesn't allow you to invest directly in strong opportunities or identified community needs
 - If we are each committed to efficiently deploying our resources we can reach more communities.