

## Commerce Street Capital Examines Raising Capital for Banks at its Conference

**DALLAS, TX (April 9, 2010)** More than 200 community bankers from Texas and other states attended [Commerce Street Capital LLC](#)'s 8<sup>th</sup> Annual Bank Conference to discuss eight bank presentations focused on the state of the community and regional banking industry in the United States. Held on April 9 at the Four Seasons Resort and Club in Las Colinas, Texas, experienced bank consultants and regulators also joined the community bankers in the discussion.

Charlie Ingram, a managing director at Commerce Street Capital, manages the firm's bank development group that specializes in raising capital for community banks nationwide. He also serves as the principal and regulatory supervisor of the group and its Dallas and Atlanta operations. At the bank conference, Ingram highlighted where today's capital is sourced from and what key components are necessary for a successful capital campaign in the current marketplace.

"Raising capital for community banks today is harder and it's taking longer," stated Ingram. An analysis of Commerce Street Capital's assisted capital raises for community banks between 2006 and 2010 found, on the average, it takes 1.2 months longer today to raise half the amount of capital it procured in 2006.

The change in source of capital is a major driver impacting results. In 2006, 62 percent of the capital was raised by local sources (from people that live in the community near the bank). Today, 100 percent of the capital is raised locally. "The difference is the lack of availability of capital from institutional and serial bank investors," explained Ingram. "In 2006, 21% of the capital raised was sourced from institutional investors and 17% from serial bank investors. Both 2009 and 2010 have seen zero capital raised from institutional investors, with only 4 percent from serial investors in 2009 and zero in 2010."

When it comes to raising capital, a community bank will need a thorough self-examination and a detailed plan of action. Even though it may be harder to raise capital, it certainly is still being accomplished. **Commerce Street Capital defines ten critical components of a successful local capital raise:**

1. Overall health of the community and the opportunity for growth
2. Does the bank fill a well-defined need?
3. Experience and competence of management as well as the quality and involvement of the board
4. Well defined business plan and realistic exit strategy
5. Competent counsel with "Securities Law" experience and background
6. Well organized capital raise plan
7. Well structured and presented offering

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8. Digging deep enough and broadening the scope of your target investors?
9. Allowing adequate lead time to complete offering
10. Organized and consistent follow up (x5!)

### **About Commerce Street Capital**

Commerce Street Capital, LLC is a privately held investment banking firm headquartered in Dallas, Texas, focused on serving financial institutions across the United States through three lines of business: investment banking, bank development and fund management. For more than 20 years, the firm's leaders have built their reputations as leading investment bankers, financial advisors and investors in community banks across the United States. For more information, visit [www.commercestreetcapital.com](http://www.commercestreetcapital.com). Commerce Street Capital is a member of FINRA/SIPC.

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