



Strategic Business Solutions, Inc. management has been active in Financial Institution Strategic Planning & Decision Making for over 30 years. As we spend more time in the Florida market, we felt a quick example of predictive modeling might be of interest.

Leading US Banking Trends

Overall, Fewer Commercial Banks

Using data from June 2017, we can see that the US trend continued for fewer and fewer Commercial Banking Institutions. In fact, the trend of consolidation has increased since the Great Recession.



Varies Significantly by State/Region

Interestingly, when looking nationally at the number of Commercial Banks by State the rate of consolidation appears to vary significantly by State and Region.

For example, both **Texas** and **Illinois** still have over 400 Commercial Banks while other large population states like **California** (161) and **New York** (99) have far fewer Commercial Bank Charters.



Click on Image to Visit Link

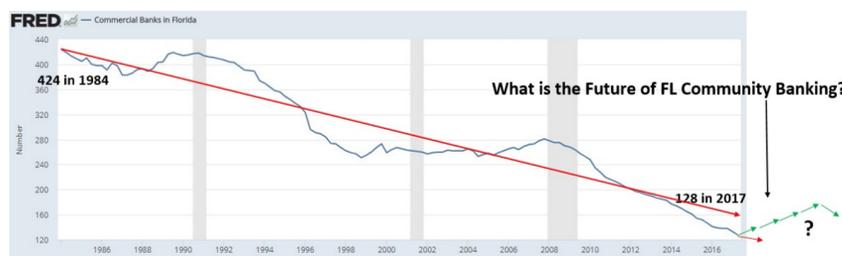
"Paving the Way" for a De Novo Resurgence?

Only a few are talking about a resurgence in Community Banking, and we agree the timing may not be right until interest rates correct to more normalized levels. However, as we look at market gaps there appear to be more and more markets that have **NO COMMUNITY BANK LEFT**.

Historically, this has provided opportunities for local capital investment

FLORIDA EXAMPLE

Commercial Banks Headquartered in Florida have been in decline since the 1980's. In fact, there were **424** in 1984 and only **128** by mid 2017. (70% reduction)



Management Question:

What is the Future of Florida Community Banking?

Brian, that's an interesting question.

Can you help us see how your experience and modeling techniques might help us?

Sure we can!

Let's start with some basics related to the Florida market. Florida consists of **410 Incorporated Municipalities** which include **282 Cities, 109 Towns** and **19 Villages**.



Note: While the state of Florida also has a noteworthy population segment that lives in Unincorporated areas - we will use the Incorporated Municipal Markets as our newsletter base.

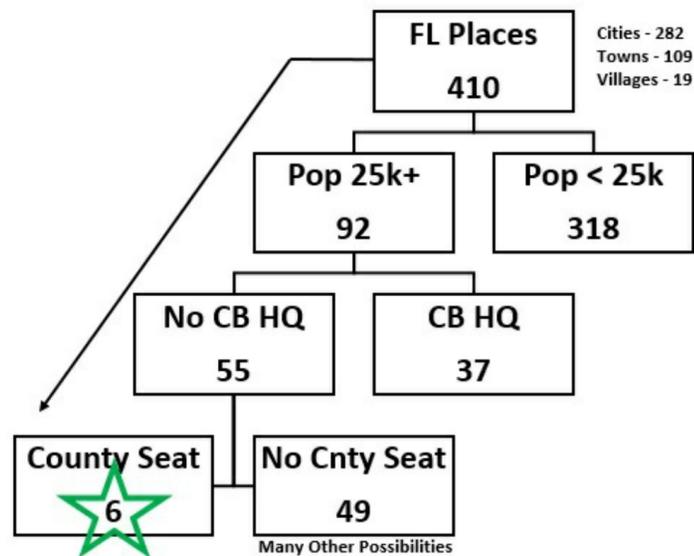
**Brian, I've lived here all my life and didn't know this...
What else can you share with us?**

Well, what if we built a model that Isolated Incorporated Municipalities with:

- **≥ 25,000 Population**
- **NO Community Commercial Bank Headquarters**
- **County Seats**

Might that be interesting to those considering investing in a De Novo Community Bank?

Florida Incorporated Municipalities

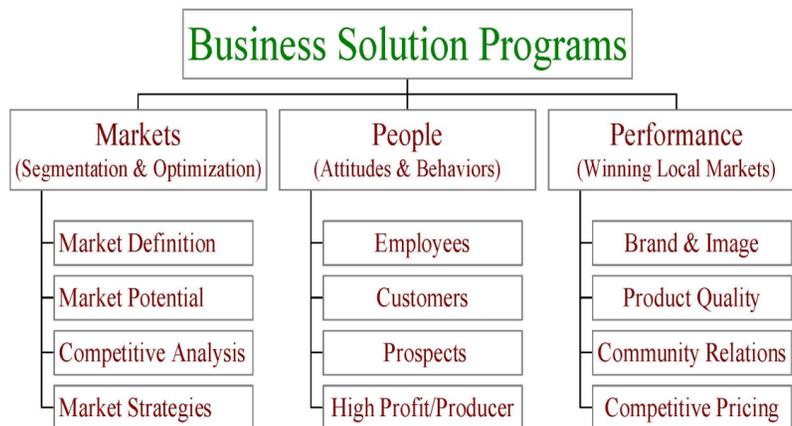


Using our proven **GAP ANALYSIS Modeling Techniques**, we identify **6 Municipalities** that are of **Adequate Size**, that currently have **NO Community HQ Commercial Bank** and are the **County Seat**.

Are these capabilities that might be of interest to you?

We help Management answer lots of questions. Our Business Solutions template featuring **Markets - People - Performance Drivers** has a proven track record of success and features a variety of profitability models and data collection approaches including (Surveys, Focus Groups and Executive Interviews).

Strategic Business Solutions, Inc.



INFORMATION FOR DECISION MAKERS

So, what are your questions?

Let's see how **Strategic Business Solutions, Inc.** might help you in 2018.

Simply Click the Image below to send us an email.



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