

## **MARKET TRENDS – BIG BANK BANKERS DRAWN TO COMMUNITY & REGIONAL BANKS**

Right now we are seeing Big Bank (defined for purposes of this piece as banks with assets >\$50B) bankers who are increasingly attracted to the high touch, high service community and regional bank model, and we see this as an extremely positive trend in the market. In 2014, 63% of our executive search engagements for community and regional banks were successfully filled with Big Bank bankers, and in every search, Big Bank bankers made up a portion of our candidate slate.

**Dennis Long** (President and CEO of Pacific Financial Corporation, the holding company of \$750MM Washington-based Bank of the Pacific, and former Chairman of Western Independent Bankers) shared that whether a Big Bank banker can make the transition to a smaller bank should be determined on a case-by-case basis, but that the confluence of Big Bank bankers and community bankers around the boardroom brings about a certain amount of dynamic tension which is necessary for success. Mr. Long further stated that the “gotta have it this quarter” drive of a Big Bank, blended with the methodical, long term view of a community/regional bank can equate to increases in performance and franchise value.

### **WHY BIG BANK BANKERS ARE ATTRACTED TO THE COMMUNITY/REGIONAL BANK MODEL**

- The opportunity to play bigger, faster – i.e., playing a strategic role not available at a Big Bank.
- The Big Banks are too siloed and offer less of an opportunity to bring the entire bank to bear for a customer.
- Equity – Aligning the banker’s and the bank’s goals; ownership becomes leadership.

### **THE BENEFITS OF INFUSING BIG BANK LEADERSHIP**

- At the senior levels, many Big Bank bankers have been through intensive management training programs, and credit training programs.
- Big Bank bankers bring exposure to, and the ability to bring in house, a number of highly sophisticated services which not all community/regional banks offer, including interest rate swaps, ABL, shared national credits, and Ex-Im banking, to name a few.
- Big Bank bankers are metrics driven and bring a high sense of urgency.

### **NOT ALL BIG BANK BANKERS ARE RIGHT FOR THE COMMUNITY/REGIONAL BANK MODEL**

- The community/regional bank must determine if the Big Bank banker needs the ivory tower staff.
- The Big Bank model is much more transactional, with a lesser focus on long-term relationships, and high touch service.
- Big Bank bankers may not have a true understanding of the business of banking outside their area of expertise.

**Terry Zink**, President and CEO of \$2.3B Oregon-based Bank of the Cascades, joined the bank in 2012 after serving as the President of \$100B Fifth Thirds Bank. As Terry has built out his senior leadership team he has focused on bringing in Big Bank sophistication, given their high levels of training and exposure to sophisticated products and services often not offered by community/regional banks. Terry did share that he and his Big Bank recruits have found that the reduction in work force, and lack of distribution network have made the transition more daunting than anticipated. He explained, however, that he is seeking Big Bank bankers who have the DNA to “want to make a difference” – a difference they weren’t able to make at their former Big Bank employers.