

Good morning, Bank Slaters!

The weather is beautiful here this morning! And I hope the same can be said for where you are and that you're finally able to enjoy springtime.

I'll take a few minutes today to muse about the changing definition of "community" in financial services. I was asked earlier this year to join a steering committee for the [Generations 2022](#) conference in Charlotte, N.C. One of the panels we're looking to fill focuses on Banking as a Service (BaaS).

BaaS is a key part of my fintech presentations, and it very much ties into redefining community. As many of you know, banks that provide BaaS offer their regulator-approved infrastructure to challenger banks/neobanks. Those startups often use segmentation to zero in on certain groups, whether based on demographics, profession, or other common bonds.

Some recent examples:

- **Daylight:** A challenger bank focused on LGBTQ+ community backed by MetaBank in Sioux Falls, S.D.
- **Nerve:** A musician-focused startup supported by Piermont Bank in New York
- **Purple:** A challenger bank backed by The Bancorp in Wilmington, Del., that focuses on disabled consumers who receive government assistance

These efforts take the traditional view of community (neighborhood, town/city, etc.) and turn it on its head. My thought is that more banks should look at data, evaluate fintech opportunities, and seriously consider ways to use technology to follow a similar path.

I'm not saying to abandon a geography-based focus; just supplement it by finding groups that make sense to deepen your ties to. With proper risk management, you could expand beyond your home base without the big, fixed costs of physical locations.

What are your thoughts? Reach out to me at paul.davis.mba@gmail.com.

Let's look at some headlines from [Bank Slate](#).

M&A

- Comunibanc in Ohio, began to [seriously explore selling itself](#) after receiving an unsolicited offer last summer from an unnamed bank, according to a regulatory filing. The company would [agree in January](#) to sell to Civista Bancshares.
- Alton Bancshares in Missouri [has agreed to buy](#) Table Rock Community Bank in Missouri in a deal that should close in the second or third quarter.
- Bolt, a payments provider in San Francisco, has [agreed to buy Wyre](#), a cryptocurrency infrastructure provider, in a deal expected to close later this year.

Arrivals/Departures

- Robert Sarver, who is being investigated by the NBA over [allegations of misconduct](#) tied to his role with the Phoenix Suns, is [retiring as chairman](#) of Western Alliance Bancorp. in Phoenix. The bank's announcement did not mention the investigation.
- The Hawaii Credit Union League hired Carol Marx, a former banker at Bank of Hawaii, as its [new president and CEO](#).
- Bank of Marin Bancorp in California tapped Willie McDevitt, who founded a construction company. to serve [as its chairman](#). He will succeed Brian Sobel, who has been chairman since 2015, in May.

Fintech

- Unifimoney, a fintech that's building a wealth management platform for small banks and credit unions, has [raised \\$10 million](#) from investors that include the Independent Community Bankers of America.
- Grasshopper Bank, a digital-first de novo in New York, is [working with fintech FiVerity](#) to improve its fraud detection capabilities.
- Fast, a fintech that included Stripe among its financial backers, [has closed](#). The startup, founded in 2020, allowed users to check out instantly without entering passwords or other account information.

Miscellaneous

- The FDIC [issued a letter](#) to supervised banks making it clear they should [inform the agency if they deal in crypto](#) or plan to do so. FDIC-supervised institutions should inform a regional director about the activity, in detail, and include a proposed timeline for engaging in the activity. The FDIC could seek more information – and provide feedback – as needed.
- BankUnited has [opened a corporate banking office](#) in Atlanta – its first location outside of Florida or New York. TC Bancshares in Thomasville, Ga., said it will enter Jacksonville, Fla., first with a commercial loan production office followed by a retail branch.
- Gouverneur Bancorp in New York is [looking to form a municipal bank](#) ahead of its pending purchase of Citizens Bank of Cape Vincent, a commercial bank. New York state law bars mutuals from working with municipalities; Citizens has municipal loans on its balance sheet.
- Zions Bancorp. in Salt Lake City [created an expense line item](#) to show costs tied to technology, telecom and information processing. Those expenses averaged about 11% of noninterest income in 2020 and 2021.
- Piedmont Federal Savings Bank in North Carolina is [looking to form a mutual holding company](#).

Just like that ... another week in the books. Now go and find time to get outside and get some fresh air! We'll be back at it on Monday.