

Good morning, Bank Slaters,

It is hard to believe I quietly started this blog roughly a year ago. I remember being in Bardstown, Ky., taking some time off between jobs when I decided to write about executive appointments, M&A and regulatory developments – mostly to keep my writing skills sharp.

Fast forward a year and we've come a long way, including 42,000+ visitors to the [website](#) (a record 6,400 in May), amazing social media engagement and creating a great group of subscribers to this newsletter. Thank you as always for your support, both as avid readers and for your [contributions](#).

We're excited about Year 2. We have a great partnership in the works that would significantly expand our reach. We can't say too much right now but it would be a next-level move for us. Can't wait to share the news!

This week I wanted to share an update to a piece I wrote in March looking at states that have effectively banned credit unions from buying banks. Tennessee is no longer on the list after a judge there [lifted a temporary injunction](#) blocking Orion Federal Credit Union from buying Financial Federal Bank in Memphis. While credit unions are still barred from buying charters or stock, the judge said it is permissible to buy assets and liabilities.

That could be a broader setback for bank advocates keen on stopping these types of deals from happening.

Credit unions 'buy' banks through purchase-and-assumption agreements structured similar to what the judge in Tennessee is allowing. Could other judges apply this ruling in other states that have blocked CU-bank deals? Will this set a precedent that could be applied in states where such deals have yet to be announced?

Which states have blocked credit unions from buying banks? The ones that come to mind are Colorado, [Mississippi](#) and [Nebraska](#). It is also worth watching the VyStar Credit Union-Heritage Southeast Bank deal, which has [yet to gain regulatory approval](#).

Other states remain fertile ground for these types of deals, including Illinois where two credit unions announced plans to buy banks this week (more on those below). Florida is another battleground state; Beach Bancorp disclosed last week that it [made overtures](#) to more than a dozen credit unions before agreeing to sell to a bank in Mississippi.

What are your thoughts? Do you think there's an ironclad way to keep these deals from happening? Or are they inevitable? Let me know at paul.davis.mba@gmail.com.

Let's look at some headlines.

M&A

- Two credit unions are planning to buy banks in Illinois. Credit Union 1 in [agreed to buy](#) NorthSide Community Bank, while NuMark Credit Union [has an agreement to acquire](#) Pioneer State Bank.
- Sandy Spring Bancorp in Olney, Md., [sold its insurance business](#) to Hub International.
- F.N.B. in Pittsburgh [agreed to buy](#) UB Bancorp in North Carolina. F.N.B. will pay \$117 million in stock for the \$1.2 billion parent of Union Bank. The deal is expected to close late this year.
- BancCentral in Oklahoma is [selling its only branches in Kansas](#) to Plains Bancshares.
- Bank of New York Mellon agreed to sell [BNY Alcentra Group Holdings](#) to Franklin Templeton.

Arrivals/Departures

- Eagle Financial Services in Virginia appointed Joe Zmitrovich, its chief banking officer, to [become president](#) of Bank of Clarke County. He succeeded Brandon Lorey, who remains CEO.
- Heritage Financial in Washington [hired 25 bankers](#) for roles in Vancouver, Wash.; Portland, Ore.; and Eugene, Ore. Their focus will be commercial, small business and nonprofit clients.
- James Ballentine, who retired in May from the American Bankers Association, [formed his own lobbying and consulting firm](#).
- Ponce Financial Group in New York [reshuffled its executive ranks](#). The company hired Sergio Vaccaro as its CFO. Vaccarro, previously CFO of Private Bank Americas at HSBC, succeeded Frank Perez, who became Ponce's chief investor relations officer.

Fintech

- Capital One created an [enterprise B2B software business](#) to help companies that operate in the cloud. Capital One Software has already introduced Capital One Slingshot, a data management solution for Snowflake clients.
- Greenwood Financial, an Atlanta digital bank aimed at Black and Latino clients, [bought The Gathering Spot](#), a private membership network focused on the Black community.
- PNC Financial Services Group in Pittsburgh will convert about 60% of its branches to [an automated model](#) over the next five years. The company also named a new [head of retail banking](#).
- Republic Bancorp in Kentucky will [invest \\$5 million](#) in tech startups after creating an incubator program.

Miscellaneous

- Edward Shin, a former CEO of Noah Bank in Pennsylvania, [was convicted](#) on charges he accepted bribes in connection with loans made through the SBA.
- Eagle Bancorp in Maryland will [pay \\$12.6 million](#) to resolve a longstanding probe by the Securities and Exchange Commission into its ties to a former Washington councilman.
- Esquire Financial Holdings in New York [signed an agreement](#) to offer financing to a commercial law firms.
- Savi Financial in Washington outlined its [complicated process](#) for forming a de novo. Savi plans to raise \$1 million from Orca organizers/directors and contribute another \$14 million to form Orca Bank. The bank would buy a branch from SaviBank, then sell itself to the holding company, assuming it gets all the required regulatory approvals.
- First Financial in Cincinnati is the latest bank to [address overdraft fees](#). The company will eliminate NSF fees when an item is returned unpaid and notification fees when an account remains overdrawn.

- South State in Florida [reduced the size of its board](#) by nearly a third. The company disclosed in a regulatory filing that it cut the board's size from 19 directors to 13 after six members reached its mandatory retirement age.

There you have it. Quite a lot of news for a short week. Have an announcement you want covered? Send it our way. Hope everyone has a relaxing weekend. We'll be back at it on Monday!

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