

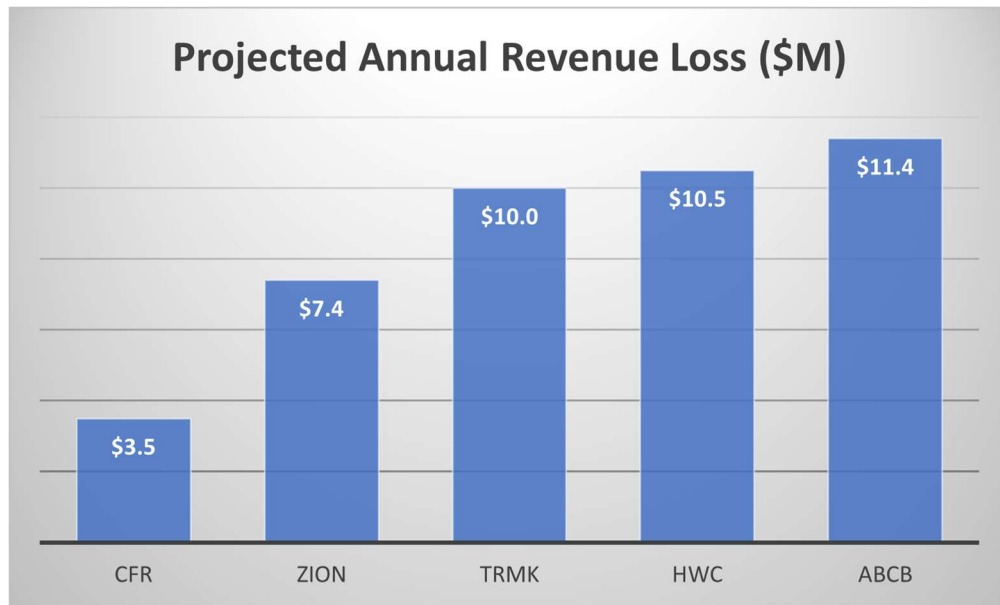
Hi Bank Slaters!

We made it to yet another weekend. Hope all is going well.

Let's talk about overdraft fees. Many banks are planning to reduce or eliminate overdraft and nonsufficient funds (NSF) fees. While some decisions could be a reaction to the CFPB's heightened interest in the charges, it is also becoming clear that more banks will follow the lead of early adopters like Capital One Financial to remain competitive.

Let's take a look at some recent disclosures from midsize banks, many of which are based in the Southeast.

Some banks quantified the financial impact, or they gave enough info to help analysts make estimates. They include [Cullen/Frost](#), [Zions Bancorp.](#), Trustmark, Hancock Whitney and Ameris Bancorp. This chart shows the estimated revenue loss for each bank.



Sources: Company reports, KBW and Janney Montgomery Scott

New York Community Bancorp, Flagstar Bancorp and South State have also disclosed plans to reduce fees. Expect to see the number of disclosed rollbacks accelerate over the rest of this year.

What can banks do to offset the lost revenue? [Hancock Whitney](#) and [South State](#) have announced meaningful branch closures, which will help. Rising interest rates should also provide an offset as well.

Other options could include identifying other revenue drivers such as Buy Now Pay Later (BNPL), digital assets services or Banking-as-a-Service (BaaS). Each of those initiatives will require significant due diligence, partnerships with third parties and a concerted effort to understand and mitigate exposures.

What do you think? Email your thoughts and ideas to paul.davis.mba@gmail.com.

Let's look at some headlines.

M&A

- A group of legislators led by Sen. Elizabeth Warren, D-Mass., [is pressing the OCC to reject](#) TD Bank Group's planned purchase of First Horizon in Tennessee. The lawmakers cited a report claiming TD had used similar employee incentives to those tied to Wells Fargo's fake-accounts scandal.
- VyStar Credit Union in Florida and Heritage Southeast Bancorp. in Georgia [have terminated](#) VyStar's planned acquisition of Heritage Southeast Bank after they were unable to secure regulatory approval.
- Farmers & Merchants Bancorp in Archbold, Ohio, [has agreed to buy](#) Peoples-Sidney Financial in Sidney, Ohio. F&M will pay \$27 million for the parent of Peoples Federal Savings and Loan Association. The deal is expected to close in the third or fourth quarter.
- VersaBank in Ontario, has [agreed to buy](#) Stearns Bank Holdingford in Minnesota. The Canadian bank will pay \$13.5 million to Stearns Financial Services in a deal expected to close by Oct. 31.
- Buckeye State Bank in Ohio, [has agreed to buy](#) First City Bank in Ohio. Buckeye expects to close the deal in the fourth quarter; the price was undisclosed.
- CrossFirst Bankshares in Kansas [will enter Colorado and New Mexico](#) with a deal for Farmers & Stockmens Bank in New Mexico. CrossFirst will pay \$75 million to Central Bancorp for F&S Bank; the acquisition is expected to close in the second half of this year.

- First Waterloo Bancshares in Illinois has agreed to buy Village Bancshares in Illinois. First Waterloo plans to complete the purchase in the fourth quarter; no price was disclosed.

Arrivals/Departures

- First National Bank & Trust in Iron Mountain, Mich., has a [new president](#). Russell Kassin succeeded David Kashian, who will remain chairman and CEO until 2023.
- Atlantic Union Bankshares in Richmond, Va., added Rilla Delorier [to its board](#). She recently was chief strategy and digital transformation officer at Umpqua Bank and is on the boards of Nymbus and Coastal Community Bank.
- M&T Bank in Buffalo, N.Y., said Rich Gold [will retire](#) as president and chief operating officer after the first quarter of 2023. He will remain on the board.
- Codorus Valley Bancorp in York, Pa., [added Scott Fainor to its board](#). Fainor was president and CEO of National Penn Bancshares when it was sold to BB&T in April 2016. He then served as a BB&T group executive.
- PacWest Bancorp in Los Angeles said Paul Taylor [will become its president](#) on July 1, succeeding Matt Wagner, who will remain CEO until his expected retirement at the end of 2023. It "is anticipated" that Taylor will eventually become CEO.

Fintech

- Coinbase will [cut nearly a fifth of its employees](#). The crypto exchange will lay off about 1,100 employees by the end of this month. The cuts are intended to manage operating expenses "in response to current market conditions and ongoing business prioritization efforts."
- Achieva Credit Union in Florida is [offering a bitcoin service](#) on its mobile app. The credit union is working with NYDIG, a bitcoin technology company.

Miscellaneous

- New Peoples Bank in Honaker, Va., is working through [systems outages](#). The bank said in a [post on its website](#) that it "is working diligently to address and investigate a recent incident" that is interrupting the operation of its computer systems.

- Comerica in Dallas plan to [close 22 branches](#) later this year. The closures represent about 5% of the company's total branch network.

There you have it. We had a surprisingly merger-heavy week. I hope everyone has a good weekend!

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