

Good morning, Bank Slaters!

I talk to many groups about fintech strategies. Questions abound when it comes to innovation. What projects should a financial institution pursue? What partners should they select? How will they roll out a fintech offering after agreeing to implement one?

I am going to share a synopsis of a piece I recently wrote as part of the Forbes Finance Council. I looked at the fintech ecosystem banks and credit unions should assemble to effectively evaluate and implement fintech strategies. Here are the highlights:

1) Talk to other bankers. If there is a fintech you want to work with, identify banks or credit unions that are clients. Ask them about the quality of communication. Did the fintech meet deadlines and deliverables? What was the customer feedback? Anything they would do differently?

2) Meet with employees. They're going to have the most anxiety since they must interact with customers if a project hits a snag. Schedule regular sessions to keep them up to date on what you are thinking.

3) Involve the board. Directors should help craft the strategy and be updated on potential partnerships. They should have a finger on the pulse of customer needs and possible friction points.

4) Talk to regulators. Discussions with state and federal agencies can create relationships built on openness. Regulators also value an open line of communication.

5) Engage customers. Talk to clients; understand their needs and frustrations; consider pilot programs. This could reduce the likelihood of significant headaches in the future.

6) Retain trusted advisers. Like you would with a traditional vendor contract or bank acquisition, you will want a team of strategic consultants reviewing the various aspects of your potential fintech partnership.

Am I missing any parts of the ecosystem? If so, please email me at paul.davis.mba@gmail.com to have a conversation.

Now let's look at some headlines.

M&A

- VyStar Credit Union has [again delayed the closing date](#) for its pending purchase of Heritage Southeast Bank in Georgia. The credit union, which has yet to secure regulatory approval, set June 30 as its new target. The deal was originally expected to close last year.
- National Bank Holdings in Denver has [agreed to buy](#) Bancshares of Jackson Hole in Wyoming. National Bank plans to pay \$230 million in a deal expected to close in the second half of 2022.
- Nicolet Bankshares in Wisconsin has [agreed to buy](#) Charter Bankshares. Nicolet said it will pay \$158 million in a deal set to close in the third quarter.
- Seacoast Banking Corp. of Florida [will enter Miami](#) through its pending purchase of Apollo Bancshares. Seacoast will pay \$168.3 million in a deal it expects to complete in the fourth quarter.
- Hometown Financial Group in Massachusetts [plans to acquire](#) Randolph Bancorp in a deal valued at \$147 million that is expected to close in the fourth quarter.

Arrivals/Departures

- Robert Kafafian, a well-known banking consultant, has [joined the board](#) of USCB Financial Holdings in Miami. USCB is the parent company of U.S. Century Bank.
- Ponce Financial Group in New York hired Luis Gonzalez Jr., a former acting assistant deputy director at the OCC, as its [chief operating officer](#).
- Rita Lowman, former president of Pilot Bank, has [joined the board](#) of Caldwell Trust Co., a Venice, Fla., wealth manager.
- Norwood Financial in Honesdale, Pa., has named James Donnelly as its [next president and CEO](#). He will succeed Lewis Critelli, who [plans to retire](#) but will remain a director.

Miscellaneous

- Southern First Bancshares in South Carolina said its bank received a “[needs to improve](#)” CRA rating from the FDIC. The rating covers a period from Feb. 12, 2018, to March 29, 2021.

- Republic First Bancorp in Philadelphia, which is already dealing with two activist investor groups, is planning to [conduct an investigation](#) into certain related-party transactions. The audit committee will hire independent legal counsel to handle the probe, which was recommended by the company's auditors.
- Sterling Bancorp in Michigan [significantly increased](#) its fourth-quarter earnings after revising the fair value of a CRE loans it sold. The move increased its profit from \$4.8 million to \$8.1 million.
- Citizens Bank of Edmond in Oklahoma was designated [a women-owned depository institution](#) by the Fed.
- The FDIC is [seeking public comments](#) after releasing [proposed steps](#) big banks should consider to manage exposure to climate-related financial risk. The agency is also [seeking feedback](#) on how to oversee large bank mergers.
- MetaBank, which sold the rights to its name to an affiliate of Facebook, will [rebrand as Pathward](#) by the end of this year.

There you go. Quite a busy slate this week. Hope everyone gets some time to relax over the next few days!