

Happy Halloween, Bank Slaters!

How was your weekend? This was the first weekend I've spent at home since early September. It was a busy stretch. I presented at conferences in Dallas, Southern California and at Ole Miss. While I enjoyed getting out and meeting you all, it will be nice to have a few weeks here to get caught up on everything.

Let's talk about expanding business lines.

In the past week, we've seen several cases of banks buying ancillary businesses (or launching divisions after making strategic hires). A few examples:

- Peapack-Gladstone Financial in New Jersey launched a [life insurance premium finance business](#) after hiring two bankers from Wintrust Financial.
- Civista Bancshares in Ohio completed its [purchase of Vision Financial Group](#), an equipment finance company.
- Republic Bancorp in Kentucky [agreed to buy CBank](#), which has Commercial Industrial Finance, a nationwide equipment leasing and financing business.

There are several reasons why banks make these moves.

- The bid-ask spread for traditional bank deals remains challenging, based on disparities in tangible book value, stock prices and sellers' views on the value of their franchises. Many nonbank deals involve cash and perhaps are easier to hammer out.
- Nonbank deals can set up higher-yielding loan opportunities. Banks can also generate fee income and cross-sale opportunities by adding these businesses.
- A nationwide business could provide more diversity in terms of income streams and overall credit profiles.

What do you think? Am I missing something? Let me know at info@thebankslate.com.

Here are the headlines that caught my eye in the past week.

The Big Headline

The CFPB plans to propose a rule to move "closer" to open banking/open finance, Rohit Chopra, the agency's director, said in a [speech at the Money20/20 conference](#). Open banking is a concept where consumers have control over their financial data.

The rule would obligate "financial institutions to share consumer data upon consumer request, empowering people to break up with banks that provide bad service, and unleashing more market competition," Chopra said. The CFPB plans to propose a rule next year with hopes of finalizing it in 2024.

The CFPB also issued guidance for "[junk fees](#)," targeting practices it believes are "likely unfair and unlawful under existing law."

M&A

- New York Community Bancorp and Flagstar Bancorp in Michigan [received OCC approval](#) for their pending merger. The banks agreed to extend the termination date from Oct. 31 to Dec. 31 while awaiting Fed approval.
- Peoples Bancorp in Ohio [agreed to buy](#) Limestone Bancorp in Kentucky in a \$208.2 million deal expected to close in the second quarter.

Arrivals/Departures

- The Western Bankers Association said Stephen Andrews [resigned as its president and CEO](#). Kevin Gould, director of government relations, and Yvette Ernst, chief of staff and corporate secretary, will oversee day-to-day operations while the WBA looks for a permanent successor.
- Sterling Bancorp in Michigan, which recently sued its founder and former CEO, hired Elizabeth Keogh as its chief legal officer as part of a [reorganization of its legal department](#). Keogh has been a self-employed legal consultant for the past 13 years, with Sterling among her clients.
- RBB Bancorp in Los Angeles removed "interim" from David Morris' title, making him the [permanent CEO](#). Morris, who will remain RBB's CFO, will join the company's board and lead a search for a new president.
- Chris Sawyer has become [president and CEO](#) of Grand Bank for Savings in Mississippi.

(Fin)tech

- ConnexPay, a payments technology company, [raised \\$110 million](#) in a funding round led by FTV Capital. The funding will allow ConnexPay to expand in Europe and other international markets.
- The OCC will create an [Office of Financial Technology](#) to bolster the agency's "expertise and ability to adapt to a rapidly changing banking landscape."
- Finexio, a Florida fintech, [raised \\$35 million](#) in a Series B funding round that included J.P. Morgan, Patriot Financial Partners, Discover Financial Services and Valley National Bancorp.

- Biller Genie, a Miami fintech that provides AR automation and has a B2B payments platform, will open an office in Orlando after [raising \\$5 million](#) in Series A funding.
- MainStreet Bancshares in Virginia expects its Avenue Banking-as-a-Service (BaaS) division to [break even](#) within two years of having a fully operational solution.
- Coastal Financial in Washington said three of its BaaS clients are [preparing to exit the relationship](#). The company disclosed in a slide deck that the number of active partners fell to 19 in the third quarter from 23 a quarter earlier. Looking at the pipeline, five companies have signed letters of intent; two others are in the middle of testing.

Odds & Ends

- Republic First Bancorp in Philadelphia has been [unable to negotiate a standstill agreement](#) with an investor group that includes George Norcross and Gregory Braca.
- Truiliant Federal Credit Union in North Carolina [opened a regional office](#) in South Carolina as part of a bigger expansion into the Palmetto State.
- Professional football star [Patrick Mahomes](#) is now the second-biggest investor in American State Bank in Texas. The amount invested, along with the size of his stake, were not disclosed.
- Finward Bancorp in Indiana, which closed two branches in July, will [shutter three more locations](#) by the end of this year. Citizens Community Bancorp in Wisconsin also disclosed [plans to close branches](#).
- Collins Community Credit Union in Iowa [cut 38 positions](#) on Oct. 6. Most of the cuts came in its mortgage operations.
- GBank Financial Holdings in Las Vegas [rebranded its Bank of George as GBank](#). The company also debuted a new corporate brand and website.

What a busy week! I'm looking forward to what the upcoming week has in store for us!