

Happy Monday, Bank Slaters!

How's your holiday shopping going? I have to play serious catch up after being so busy the last few weeks.

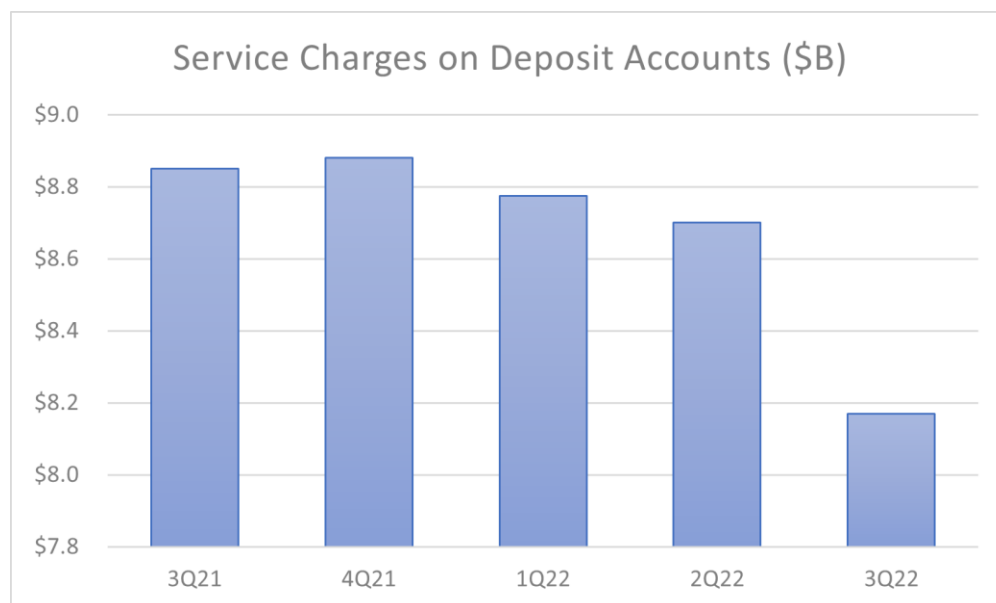
I've produced a lot of content recently, including an [article](#) for the Forbes Finance Council on hiring opportunities stemming from fintech layoffs. The piece builds on a topic I discussed in an early November [newsletter](#).

Let's revisit overdraft charges.

Last summer, I wrote a [newsletter piece](#) looking at the growing number of banks that had eliminated or reduced overdraft and nonsufficient funds (NSF) fees. We highlighted the lost revenue that many banks disclosed when announcing their plans.

Call report data shows how those actions have impacted overall service charges on deposit accounts, which fell by 6.1% in the third quarter from the second quarter and by 7.7% from a year earlier, to \$8.2 billion. Such charges have fallen in three straight quarters.

Spoiler alert: It is unlikely they will ever increase.



SOURCE: Call reports

Banks of all sizes are making changes at a time when the CFPB is [ramping up oversight](#).

What can banks do to offset this lost revenue? Definitely expect more right-sizing of branch networks. Several banks have entered new business lines (BNPL, BaaS) but those moves will likely draw more regulatory scrutiny. Consolidation is an option if buyers and sellers can agree on pricing.

What do you think? How are you looking to offset lost revenue from overdraft and NSF fees? Let me know at info@thebankslate.com.

Let's review last week's headlines.

The Big Headline

Bill Rogers, Truist Financial's CEO, [declined to comment](#) on a report that the North Carolina company could sell up to 30% of its insurance business. Christopher Marinac at Janney Montgomery Scott said his "conservative estimate" values the stake at \$3 billion.

M&A

- Webster Financial in Connecticut [agreed to buy](#) StoneCastle Insured Sweep, which operates as interLINK and administers more than \$9 billion of deposits, from StoneCastle Partners. The price wasn't disclosed.
- Veridian Credit Union in Iowa [agreed to buy](#) American Investors Bank and Mortgage in Minnesota in a deal expected to close in July. The price wasn't disclosed.
- Texas Regional Bank [entered into insurance brokerage](#) after buying Mission Duncan Insurance for an undisclosed sum.
- NBT Bancorp in New York [agreed to buy](#) Salisbury Bancorp in Connecticut for \$204 million in a deal expected to close in the second quarter.
- Figure Acquisition Corp. I, a publicly traded SPAC, has a [nonbinding letter of intent](#) to buy a bank with national mortgage lending and servicing operations.

Arrivals/Departures

- Palmetto Citizens Federal Credit Union in South Carolina hired Robert Dozier as its [president and CEO](#). He recently stepped down as COO at First Reliance Bancshares in South Carolina.
- SVB Financial Group in California said that Erin Platts had been named [president of SVB Private](#) and David Sabow will become CEO of Silicon Valley Bank UK and Head of EMEA.

- Partners Bancorp in Maryland, which recently terminated an agreement to sell to OceanFirst Financial, said John Breda [succeeded Lloyd Harrison as CEO](#). Harrison remains CEO of Virginia Partners Bank and is now a senior executive vice president at the company. Breda remains president and CEO of Bank of Delmarva.

(Fin)tech

- Signature Bank in New York will reduce [exposure to digital assets deposits](#) to 15% to 20% of total deposits, or \$8 billion to \$10 billion, over time.
- Silvergate Capital in California, which faces scrutiny from three senators over its FTX dealings, said it "[conducted extensive due diligence](#)" before working with the crypto firm and affiliate Alameda Research.

Odds & Ends

- Merchants and Manufacturers and First Waterloo Bancshares, both in Illinois, raised capital through [private placements](#). Merchants and Manufacturers raised \$3 million, while First Waterloo brought in \$6.2 million.
- Comerica in Dallas [entered two new states](#) after opening commercial banking offices in South Carolina and a private banking office in Atlanta.
- Grand River Commerce in Grandville, Mich., [formed a mortgage company](#). Grand River Mortgage is a national platform that should have licensing in 46 states by early 2023.
- Kearny Financial in New Jersey plans to [reduce annual operating expenses](#) by 5% to 10%. The company also restructured its securities portfolio.

Just like that, another week is in the books. I hope everyone has a great week ahead!