

Good morning, Bank Slaters!

How was your weekend? I went bowling for the first time in years. Though I didn't come anywhere close to bowling a perfect game, it was nice to revisit an activity I hadn't tried in quite a while.

Let's talk about finding nuggets in quarterly earnings releases.

I have found over my career covering banks and credit unions that press releases can provide a treasure trove of disclosures that go well beyond financial statements. You need to know what to look for – here are some tips to unearth useful information.

**Read Subtitles:** While a headline will likely tout performance (or downplay underperformance), companies will occasionally slip relevant news into a subtitle. Train your eyes to scan for those revelations.

**Look for Recent Developments:** Companies will often include a section that looks at issues that have arisen since the end of the quarter. Look for "Recent Developments" or "Subsequent Events."

**Use Keyword Searches:** I'm a huge believer in using CTRL-F (or Command + F for Macs) to cut through wordiness to home in on topics of interest. I parse docs for words such as legal, branch, technology, and terms that signal hiring or layoffs.

**Study CEO Quotes:** Often, this is a chance for a leadership team to hype up the company's performance or share accolades for their staff, but it also provides an opening to slip in an update on strategic initiatives such as efficiency programs and new market expansion.

I hope this helps. Of course, the easier path is to follow [www.TheBankSlate.com](http://www.TheBankSlate.com) and read this newsletter. Do you have an initiative that needs attention? Send it to me at [info@TheBankSlate.com](mailto:info@TheBankSlate.com).

Let's look at the headlines, which include many updates on banks' mortgage operations.

### **The Big Headline**

The battle for deposits [is heating up](#). A fifth of U.S. banks offered savings rates of at least 2% in January, an increase from 15% in December and 1% a year ago, according to Curinos. IntraFi Network found that 84% of banks expect a "moderate" to "significant"

increase in deposit competition over the next year. And [S&P Global Market Intelligence](#) forecast steady growth in CD balances and FHLB borrowings in 2023.

### **Another Big Headline**

Several banks are warning about credit quality in the office sector, including [River City Bank in California](#), First Citizens BancShares in North Carolina and Webster Financial in Connecticut. First Citizens said [during its earnings call](#) that it is seeing "market disruption due to hybrid work models, which impact vacancy and leasing rates."

### **M&A**

- Premier Financial in Ohio [bought Benham Insurance Associates](#) for an undisclosed amount.

### **Arrivals | Departures**

- Several banks enacted succession plans. [Bank of South Carolina](#), [PBCO Financial](#) Oregon and [North Shore Bank](#) in Wisconsin named new CEOs, and [Spring Bank](#) in Wisconsin has a new president. I shared my thoughts on this topic in a past [newsletter](#) and a [Forbes Finance Council article](#).
- Brent Beardall will [return to full-time duty](#) at Washington Federal in Seattle just weeks after surviving [a plane crash](#). He plans to return on Feb. 13.
- Atlantic Union Bankshares in Virginia hired the former chief technology officer at PNC Financial Services Group as its [chief information officer](#). Matt Lindeman is responsible for all areas of technology and digital strategy, development and implementation.
- Merchants Bancorp in Ohio said Paul Pence Jr., its chairman and CEO, will [become its president](#). Pence, who was president from 1981 to 2014, will succeed Jim Evans.
- First Busey in Illinois said Robin Elliott, its bank president and CEO, will [take over the same posts](#) at FirsTech, its payments unit, succeeding Farhan Yasin.
- Bill Briggs, who oversaw the PPP, has become the [first CEO of the Banking-as-a-Service \(BaaS\) Association](#).
- Triumph Financial in Dallas added Davis Deadman, its former chief lending officer, [to its board](#). He also serves on the board of Triumph's bank.

### **(Fin)tech**

- The Fed denied an application by Custodia Bank in Wyoming to join the Federal Reserve System, determining that the company's business model had ["significant safety and soundness risks."](#)

- Foro, a fintech that aims to pair businesses with commercial lenders, has launched after receiving financial backing from a group of investors that includes [former Bank of America CEO Hugh McColl Jr.](#)
- The ICBA hired Stephanie Foster as [director of its ThinkTECH Accelerator](#). She previously served as chief administrative officer for XY Planning Network.
- Popular in Puerto Rico will [spend \\$50 million](#) in 2023 on tech initiatives. Popular said the investments should expand digital capabilities, modernize its tech platform and implement “agile and efficient business processes.” Separately, the Fed fined Popular's bank [\\$2.3 million](#) for deficiencies processing six PPP loans.
- Coastal Financial in Washington hired Barb MacLean as [head of technology operations and implementation](#). She previously served as vice president of integration and analytics at Celero Solutions.

## **Mortgages**

- Signature Bank of Arkansas promoted Kim Whedbee to become [president of its mortgage division](#). She succeeded Christine Morrison, who has taken on a role in Signature's human resources department. Whedbee has been a mortgage lender and underwriter at the bank.
- Primis Financial in Virginia expects its bulked-up mortgage business to [break even in the first quarter](#). Expanding the business lowered the company's pretax net income by \$2.7 million in the fourth quarter.
- First Internet Bancorp in Indiana plans to [shut down](#) its consumer mortgage business. The company also provided an update on its [BaaS platform](#).
- Cullen/Frost Bankers in Texas [closed its first loan](#) under a mortgage pilot program that largely included its own employees. It has been more than 20 years since the bank had a meaningful mortgage operation.

## **Odds & Ends**

- Northwest Bancshares in Ohio, will [close eight branches](#) in April and lay off 12% of its staff. Separately, Bank of Marin in California plans to [close four branches](#).
- Silvergate Capital in California is [preserving capital](#) by suspending dividends on a series of preferred stock.
- Ken Guenther, who was president and CEO of the Independent Community Bankers of America for more than 20 years, [has died](#).
- ChoiceOne Financial Services in Michigan will launch an [enhanced treasury services online platform](#) this year. The platform will target midsize businesses

and municipalities that need enhanced reporting, security and payment capabilities.

- Activist investor Stilwell Group plans to [nominate a director candidate](#) to stand for election at the upcoming annual meeting of Peoples Financial in Mississippi.
- A [legal tussle](#) will prevent Republic First Bancorp in Philadelphia from holding director elections until April at the earliest.
- Salisbury Bancorp in Connecticut is [looking to retrieve funds](#) it erroneously sent to a trust client. The company's exposure could range from zero to \$800,000, "depending upon the facts and circumstances."
- The OCC freed Carver Bancorp in New York from a [May 2016 enforcement action](#). The bank is still required to maintain certain capital levels and seek approval before taking certain capital-related actions.

That concludes an action-packed recap. Have a terrific week!