

BLOWING OUR INTERNATIONAL VUVUZELA

by [Steve Brown](#)

What a win! Even with the annoying horns in the background and referees that are seemingly on hallucinogens in the foreground, watching the USA edge past Algeria in World Cup soccer was fantastic. Team USA made us proud, as they never gave up and shook off some bad calls to rally in the last minute.

Watching the World Cup made us realize that our economy is more global than ever (of course we realized this before, but we needed to justify watching soccer on Company time). As a community bank, chances are you have several clients and many more prospects that are already doing business around the world. Getting involved or expanding what you do internationally can help generate additional and sorely needed fee income and provide yet another product to aid in customer retention.

The international business is a \$1.8T daily opportunity where community banks control approximately less than 5%. There is market share to gain here and PCBB can help you capture it. We offer a platform of international products and services that quickly puts your bank on par with money center banks. Our wide array of services help banks acquire more customers and generate a higher level of net income. Any business or individual that is involved in paying or receiving a non-US dollar denominated payment is a good candidate. Entities that are involved with importing, exporting, transferring funds overseas, foreign currency or travelers checks (either needs or receives) is also a good candidate. Our field of products includes the ability to send and receive wires, cash letters (provisional credit), clean collections (final credit) and drafts (checks in a foreign currency) in almost every currency to almost any spot around the globe.

The average community bank may not be thinking internationally all the time, but it is interesting to note that research indicates banks that have focused on this business and capture about a dozen customers can generate 50+ opportunities per month. These banks can charge an average of \$60 per transaction along with, in many cases, an additional spread on each transaction. This works out somewhere in the range of an additional \$3k to \$100k+ per month in fee income to be had with only a little extra effort. If you are not in this business already, getting started can be quick, as all it takes is to sign a single agreement and then get educated on marketing and compliance. Most likely your bank customers are already going somewhere for this sort of service, so capturing it helps increase cross sell opportunities and makes the relationship stickier. We are happy to help you capture these clients with our competitive rates, World Cup service, some of the best expertise around and no fee structure. Studies also find individuals and business that are involved with international transactions tend to leave higher deposit balances, use more services and thus tend to be more profitable than average.

To top it all off, there is a set of expertise that can be developed at your bank that allows your institution to match local manufacturers of products with international distributors. This can open new doors for your business clients that only currently sell in US states. This not only allows your bank to provide excellent service, but helps grow your client's business, supports the community and gets the economy back on track.

Whether you have a small business owner that is going overseas for vacation, or a business itself that buys supplies or sells to Asia, Europe or Latin America, we can help. To learn more about our capabilities in international banking, contact us today. If you sign up during the World Cup, we will even throw in an authentic plastic vuvuzela - perfect for annoying friends and family as you cheer on the US to World Cup glory.

BANK NEWS

Financial Regulation

Conferees agreed yesterday to remove the current prohibition on banks paying interest on business checking accounts. They also got closer to a deal to modify the Collins amendment, agreeing to grandfather existing trust preferred securities (to count as Tier 1 capital) for all holding companies less than \$15B in total assets (they are now discussing how many years they will give banks above \$15B to comply with raising new capital to replace TRUPs).

E-Competition

Wells Fargo announced a new service that allows customers the option of having their ATM receipts sent to their online banking account or to a designated email account, instead of printing paper receipts of transactions.

SAR Filings

FINCEN reported depository institutions filed 720k SARs in 2009 vs. 733k in 2008 (the first decrease over a prior year). Of note: the top 5 states with the most SARs filed in order were CA, NY, FL, TX & DE; by type the most filings were related to BSA/structuring/money laundering, check fraud, other, mortgage loan fraud and credit card fraud; by relationship, the top 5 sources were customers (63.4%), other (16.0%), borrowers (8.2%), none indicated (7.6%) and employees (2%). Overall, 27% were attributed to suspected fraud; suspected terrorist financing increased 8% YOY; and 3 of 22 categories showed double digit increases YOY (computer intrusion +52%, counterfeit checks +12% and other +20%).

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