

## SHARPEN YOUR PENCIL - IT'S BACK TO SCHOOL TIME

by [Steve Brown](#)

As summer comes to an end and students head back to school it's also a good time for community bankers to sharpen their pencil and refocus on the upcoming year. The tactical workshop we offer is a great way to do that as it allows you to keep up with the many changes occurring in the banking industry and learn about opportunities available to help you increase the bottom line. The workshop is designed as a one day tactical session and is being held on September 20th in the Chicago area. It will cover concepts that can be leveraged immediately by your bank to improve profitability and reduce risk. Workshop presentations are simple, direct and designed to give you the information your bank needs to solve problems right now. The agenda includes a roundtable discussion among attendees and industry experts focusing on key banking trends, successes and issues. The peer-to-peer discussion component also provides an excellent opportunity to see what is working and not working at other community banks right now. In one session, we will cover how to effectively deal with falling loan originations arising from intense competition from competitors. We will discuss how to address this without adding stress to the bank's structure as we also focus on both sides of the balance sheet. We will show you how to compete with larger banks offering long term fixed rate loans, discuss funding strategies to enhance and protect your margins (both today and in the future). Attendees will learn what tools lenders need to compete effectively and what lending opportunities are available to community banks. Other sessions will focus on the state of the industry; challenges community banks are facing throughout the country; how the business model has changed and how community banks are responding. You will find out what strategies other banks are using to adapt to these changing conditions and prepare for the next few years. Additionally, we will examine current regulatory expectations regarding the management of balance sheet risk, including the use of stress testing to aid in the evaluation of risk/return analysis and improving your performance. In our final session, we will focus on how deposits are the foundation of your bank's ability to produce earnings. They can help set the tone for your bank's risk profile and are often an underutilized source of increasing earnings. Strategies directed at the accumulation of high-value core deposits will be outlined as we present ways attendees can produce income in the context of risk-adjusted spreads, your business model and the regulatory environment. Topics include building the right deposit mix; pricing; structure; avoiding pitfalls and managing funding across changing interest rate cycles. All sessions draw on the experience of our expert speakers and other community bankers. The format is designed to outline immediate strategies to help you improve performance and enhance your bank's risk profile. To ensure attendees get full access to experts and maximize interaction, space is limited to about 40, so sign up now if you plan to attend. Registration is cheap at just \$325, so sign up and come get answers (attendees also qualify for up to 6 CPE credits). To register for our last Tactical Workshop of the year click on the "Tactical Workshop" link in our Related Links section on the bottom right of this page. If you can't join us in the Chicago area this time, try to join us at other events scheduled at cities around the country in coming months and throughout next year. We hop to see you soon.

### **Related Links:**

[Tactical Workshop](#)

# BANK NEWS

## **M&A**

C1 Bank (\$926mm, FL) will buy struggling and undercapitalized U.S. Century Bank (\$1.3B, FL) for an undisclosed sum. C1 picks up 24 branches and will reportedly inject \$100mm in capital into U.S. Century as part of the deal.

## **Divestiture**

Bank of Commerce Holdings (\$929mm, CA) will sell its 51% ownership position in Bank of Commerce Mortgage to Simonich Corp. (owns the rest of the stock) for an undisclosed sum. Bank of Commerce said they took the action due to increased regulatory burden. Bank of Commerce Mortgage funds \$1B in first mortgages each year and the bank will continue to provide much of the funding for the operation.

## **APR Change**

The CFPB extended the comment period from Sep. 7 to Nov. 6 for proposed changes that would create a new higher APR calculation.

## **ATM Upgrades**

Rabobank NA announced it has replaced or upgraded ATMs at 119 branches in CA.

## **Mobile Test**

Wal-Mart has begun testing a checkout system where shoppers use their mobile phones to scan items and then pay at self service kiosks, skipping long checkout lines.

## **Higher Fees**

The FHFA directed FNMA and FHLMC to raise guarantee fees on mortgages by an average 10bp effective Dec. 1, as the government seeks to increase private company participation in the mortgage market.

## **Lower Longer**

Fed SF President John Williams said that without more action by the Fed to ease he "could see rates remaining at zero until 2015."

## **Competition**

The NCUA reports credit union membership rose to a record 93.1mm in 2Q, up 643k during the quarter.

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