
Proudly Waving The Community Bank Flag

by [Steve Brown](#)

The American flag has long been a symbol of unity, patriotism and freedom. The flag is proudly displayed across the country at government buildings, schools and even outside the homes of private citizens. Those who choose to display the flag do so with a great sense of pride in our country's past, present and future.

That being said, April is Community Banking Month and we wanted to take this time to remind bankers about the importance of waving their own proverbial flags. This is a great time to tell customers and potential customers who you are, what you do and how you support the local community.

It's no secret that competition for customers is fierce. Large banks would have customers believe that they're the only game in town when it comes to providing a wide array of products and services that people need. At the other end of the spectrum, alternative providers are popping up left and right, trying to steal away your customers and prospects. What are you to do?

There's no magic potion to change the competitive realities of the times we live in, but as a community bank, you can make sure that your voice is heard and that customers know all that you bring to the table. In this world of short attention spans and sound bites don't take for granted that your accomplishments are remembered by customers.

To understand how crazy competition has become and how much people generally like community banks, even mega banks Wells Fargo calls themselves a community bank. We all know that is hokey, but to customers it blurs the lines. Large banks as well have been out in force playing up their renewed focus on small business loans, so competition is everywhere. To help battle this beast, consider that while community banks comprise only a fraction of total industry assets, banks with less than \$10B in assets provide nearly 60% of all small-business loans under \$1MM. Further, analysis by Biz2Credit finds approval rates for small business loans increased in Mar. at community banks for the fourth consecutive month and now sits at an all-time high of almost 51%. Despite all the big bank hype, this compares to an approval rate for banks \$10B or > of only about 16%. That means community banks approve about 325% more small business loans than large banks, so wave your flag!

Customers and prospects in your community also need to know you're working for them. Aside from loans, they may not know about all the other products and services you offer, especially if these offerings are on the newer side. For instance, consider a recent ICBA study that found 37% of community banks now offer mobile payments and another 43% intend to offer mobile payments by 2015. The problem is, customers won't know all you have to offer if you keep your initiatives under wraps. So, if you've got it, flaunt it, as the saying goes.

There are, of course, many other ways to celebrate your bank's importance to the community and generate additional interest in your services. Studies show customers mostly care about things community banks are already really good at including: service quality, rates, staff attitude, response time on loans, longevity of staff, local ownership, ATM access, website quality and online services to

name a few. Wave the flag here, let customers know what you do for them and you stand a good chance of keeping current clients, expanding relationships and capturing new customers over time.

Keep in mind that patriotism in community banking doesn't occur just in April and activities aren't time-bound. So, throughout the year continue to wave your flag proudly and make sure customers and prospects know your unwavering importance to the community. There is just nothing we can think of that is more American than a community bank supporting its local community!

BANK NEWS

M&A

Banco Santander, Spain's biggest bank, will acquire the Miami, FL private banking unit of BNP Paribas for an undisclosed sum.

M&A

Peoples Bank (\$2.1B, OH) will buy Ohio Heritage Bank (\$251mm, OH) for \$37.6mm in cash (15%) and stock (85%).

Possible M&A

Spain's 4th largest bank, Banco Popular, is reportedly in talks to buy Citibank's retail banking and credit card business in Spain.

For Sale

Crain's Chicago Business reports Banco Popular North America is interested in selling its Chicago and Southern California franchises.

Bank Earnings

Analysts project large banks will report weaker Q1 results due to a drop in trading revenue, mortgage lending and ongoing softness in fixed income underwriting. The first big banks to report are JPMorgan Chase and Wells Fargo (4/11).

Branch Sale

Vantagesouth Bank (\$2.2B, NC) will sell a branch to Sound Banking Co. (\$134mm, NC) for an undisclosed sum.

Branch Sale

Bank of America is selling six branches in NY to National Bank of Delaware County (\$262mm, NY) for an undisclosed sum.

CU Mergers

The NCUA approved the following number of mergers over the past six months: Feb (17), Jan (12), Dec (27), Nov (17) and Oct (24).

Competition

BBVA Compass (\$72B, AL) has applied with regulators to add loan production offices (LPOs) in CA, OH and TX. BBVA said it opened 12 LPOs in 2013.

Competition

First Tennessee Bank (TN) will open a loan production office in TX as it seeks to expand corporate and commercial real estate lending.

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