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The largest banks are everywhere, so they do impact the world around community banks in a big way. That said, the major banks also have multiple layers to jump through to answer even basic customer service questions and frequent staffing turnovers.

Community banks should not be afraid to play up and advertise the loyalty of staff who have created relationships with their customers. Then, layer in community ties like sponsorship of local teams and scholarships for students and you are on your way. Most community banks leave the slick ads about adding yet another banking app feature to the largest banks and focus instead on what they do best instead.

BANK NEWS

M&A Activity

1) The parent company of North County Bank (\$64mm, ND) and American Bank Center (\$1.2B, ND) will acquire United Community Bank of North Dakota (\$308mm, ND) for an undisclosed sum.

Cyber Crime

A new report from computer-security firm Kaspersky Labs finds perhaps as many as 100 financial institutions have been hit by computer criminals targeting banks since 2013 for a total of probably \$1B. The thieves monitored bank employee computer screens and actions and hacked into ATMs to steal cash.

Bank Closed

(3 YTD): Regulators closed Capitol City Bank & Trust Co. (\$272mm, GA) and sold it to First-Citizens Bank & Trust Co. (\$22B, NC) under a purchase and assumption agreement. First Citizens captures 8 branches, all deposits and essentially all of the assets.

Rough Time

A report from Harvard University finds community banks with assets <\$10B have seen their market share (based on assets) fall 12% since the Dodd Frank Act passed in 2010 and C&I loans fall 23%. Technology advancements, low interest rates, low margins, heavy regulation and high compliance costs were all cited as contributors to the decline.

More Security

Visa announced it will replace its 16 digit account number with a series of numbers, as it seeks to protect customer information in online and mobile payments. Visa and MasterCard also said they planned to expand tokenization efforts, add biometrics verification and take other protective steps to further improve customer security amid increased cyber attacks worldwide.

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