



## Active Fintech Assistance

by [Steve Brown](#) Topics: [digital banking](#), [mobile banking](#), [strategic planning](#)

**Summary:** Is fintech assistance on the way for community banks? It appears so.

A survey by Robert Wood Johnson Foundation and Harvard asked those parents who said their child played a sport in the past year (72% of parents) how it benefitted their child. The top reasons given were: better physical health (88%); gives child something to do (83%); teaches them discipline or dedication (81%); teaches them how to get along with other people (78%) and benefits their mental health (73%). Being active no matter your age is just a good idea.

Speaking of activities, in banking it seems like keeping up with technological changes can be difficult, and it is especially acute for community banks, whose smaller size makes it harder to afford and incorporate each new advance.

In response, the ABA recently urged major bank service providers to do more to help smaller banks cope with new technology and stressed the need for core processors to do more to assist community banks with their technology issues. Separately, the ICBA announced it was launching a [Community Bank Fintech Accelerator](#) to help enable partnerships between community banks and early-stage fintech startups. Both initiatives take aim at the technology divide faced by community banks.

Bankers frequently voice frustrations with service providers, but the problems are particularly acute for community banks. The simple fact is that community banks do not get the same level of attention that a big bank does. Compounding the issue, some community banks also may not have the depth of in-house talent of the larger banks, so they are less able to deal with technology issues relating to service providers. Of course, service providers seem to have a different view of how well they serve the needs of community banks.

For its part, the ICBA is trying to directly assist partnerships between emerging fintech companies and community banks. The Community Bank Fintech Accelerator will join with the Venture Center in Little Rock, AR, through which community banks can partner directly with early-stage fintech companies that focus exclusively on community bank products. The ICBA laid out the tech themes it promotes including: next generation lending, artificial intelligence and machine learning, blockchain, advanced analytics, big data and others.

The ICBA plan calls for investing in up to 10 startups. A selection committee made up of community bankers and association staff will then mentor and work with these early stage companies, helping them develop technology useful to community banks. The finalists will present their wares to community banks at the ICBA convention this March in Nashville.

In the rapidly changing world of fintech, community banks will have to continue to actively seek out research on the subject as you pick and choose what might make sense for your bank. In the meantime, we will stay very active ourselves in this area, as we look to keep community bankers nationwide informed about financial technology impact and opportunity.

# ECONOMY & RATES

Rates As Of: 12/12/2018 11:19AM (PST)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.42	0.08	1.04
6M	2.55	0.03	1.02
1Y	2.70	0.02	0.97
2Y	2.77	-0.02	0.89
5Y	2.76	-0.05	0.55
10Y	2.90	-0.09	0.50
30Y	3.14	-0.15	0.40
FF Market	FF Target	Fed Disc	
2.19	2.25	2.75	
SOFR	Prime	Unemp	
2.19	5.25	3.70	

[More Market Rates](#)

## BANK NEWS

### Competition

[Wireless phone carrier T-Mobile](#) will launch a checking account service to its customers known as "T-Mobile Money". T-Mobile will leverage digital bank BankMobile (part of Customers Bank \$11B, PA), by using its existing banking infrastructure. Beyond the checking account, T-Mobile Money will also offer a debit card (through Mastercard), mobile deposits, overdraft protection and no fee access to ATMs within the Allpoint network.

### Board Knowledge

A study of 772 public company directors finds only 22% said their boards truly understood the value created by their company and an even lower 16% noted that their boards were well-informed of the industry's fundamental dynamics.

### Growth Concern

Economic projections of a slowing US economy next year to 2.5% are weighing on bank stocks. The Nasdaq Bank Index was down 6.4% to date through Nov 27, driven in large part by this uncertainty and late cycle jitters.

## DEPOSIT OPPORTUNITY YIELDING 2.30%

In an effort to expand our relationships, PCBB is pleased to offer community banks a money market deposit account rate of 2.30%, subject to availability. Contact [operations@pcbb.com](mailto:operations@pcbb.com).

Copyright 2018 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.