



FINANCIAL INSTITUTIONS TODAY

News and topics of interest to financial institutions regulated by the Department of Banking and Finance

September 2021

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National Community Bank Survey

The eighth annual community bank survey by the Conference of State Bank Supervisors' (CSBS) details the lingering effect of the Covid-19 pandemic on local economies. The survey results highlighted a new concern among community bankers: historic levels of deposits and narrow net interest margins.

The survey of community bankers revealed a shift from last year, when local business conditions were foremost on their minds. In this survey, the bankers reported abundant liquidity; however, 52% of community banks also described loan demand as a "very important" challenge with a decline in lending, particularly in the business, agricultural and commercial real estate categories.

The pandemic also created some positive long-lasting effects, with more than 40% of community bankers saying it increased efficiency and more than 70% of them saying prospects for long term lending were improved by new or closer customer relationships.

Other key findings from the 2021 survey include:

- Cybersecurity concerns are on the rise, with 81% of respondents calling it a very important risk - more than double the rate of any other type of operational risk.
- The cost of technology leapt from one of the least important issues two years ago to among the most important, with nearly 47% of bankers identifying it a "very important" challenge.
- Concern about the cost of funds is on the rise as it was described as a "very important" risk by 22% of respondents compared to a year ago when it barely registered as a challenge.
- Regulatory risk continues to be identified as a challenge, with nearly 50% of bankers calling it "very important."

CSBS released the survey results at the start of the [Community Banking in the 21st Century Research and Policy Conference](#), which was sponsored by CSBS, the Federal Reserve System and the Federal Deposit Insurance Corporation and held virtually September 28th and 29th. The conference brings together community bankers, academics, policymakers and bank regulators to discuss the latest research on community banking. The full survey results can be accessed here: https://www.communitybanking.org/~media/files/publication/cb21publication_2021.pdf. The Department expresses its gratitude to those community bankers that completed the survey and contributed to this very important research.

October is National Cybersecurity Awareness Month

Cybersecurity Awareness Month is observed each October and encourages both consumers and businesses to take steps to protect themselves from cyberattacks. The theme of Cybersecurity Awareness Month 2021 is Focusing on the Fundamentals. While many believe that most cybersecurity breaches are the act of sophisticated

hackers and foreign agents, most successful cyberattacks are because of a failure to follow well-established cybersecurity practices.

To ensure your institution is following these best practices, we encourage you to take the steps to collaborate with your regulators and your peers. Your institution and Georgia are not alone on an island. Cybersecurity has no borders and crosses infrastructures. We must collaborate and share information.

To help you better collaborate and focus on the fundamentals, we recommend you follow this three-step process now to get your organization started:

1. Select a specific industry recognized cybersecurity framework(s), for example NIST Cybersecurity Framework, FFIEC Cybersecurity Assessment Tool, and the Center for Internet Security Controls.
2. Adopt a budget for meeting your cybersecurity strategy within a reasonable time period.
3. Hire an audit firm to review the implementation of your framework rather than for minimum regulatory guidelines (a mock FFIEC exam).

Staying cyber-secure is not as simple as completing a single checklist. It is not a project that you do once and are finished. Instead, it is an ongoing process that evolves with the industry and emerging threats. By following the above steps, you will be better positioned for a more secure future.

The Department works with other state banking regulators across the U.S., federal regulatory agencies, the U.S. Treasury Department, Federal Law Enforcement agencies, and a task force of community bank CEOs to identify ways to protect institutions from cyber-attacks. This Bankers Electronic Crimes Task Force (BECTF) addresses the security needs of community banks and provides tools and guidance regarding practices that other community banks are following.

Links and Resources:

- Keep My Bank Secure
 - [Website](#)
 - [Anatomy of a Cyber Attack](#)
 - [Cybersecurity Strategy Video](#)
- CSBS
 - [Ransomware Self-Assessment Tool \(R-SAT\)](#)
 - [Non-Bank R-SAT](#)
- US Government
 - [Stopransomware.gov](#)
 - [The Joint Cyber Defense Collaborative Leading the Nation's Cyber Defense](#)
 - [NIST Recognizes Cybersecurity Awareness Month](#)
 - [CIS Recognizes Cybersecurity Awareness Month](#)
 - ♦ [National Cybersecurity Alliance Recognizes Cybersecurity Awareness Month](#)
- Cybersecurity & Infrastructure Security Agency (CISA)
 - [CISA Cybersecurity Awareness Month Site](#)

Federal Reserve Emergency Communications Systems Test

The Federal Reserve Bank's semi-annual tests are conducted by the Emergency Communications System (ECS) to ensure contact information is up to date for all registrants.

The next test will occur **Tuesday, October 12, 2021**. During this test, the Federal Reserve will be verifying registrants' business email address, business telephone number, and business mobile phone number.

ECS is only used in emergencies; however, it is not uncommon for individuals to forget they have registered for the ECS service. If you have any questions or concerns, please feel free to contact the ECS Support Center at 877-327-5333 or ecs.support@stls.frb.org.

Federal Reserve Board Paper on Partnerships between Community Banks and Fintech Companies

On September 9, 2021, the Federal Reserve Board published a paper intended to serve as a resource for community banks as they embark on responsible innovation. It provides an overview of the evolving landscape of community bank partnerships with fintechs, including the benefits and risks of different partnership types, and key considerations for engaging in such partnerships. While these lessons may apply broadly to the community bank sector, each institution should evaluate how fintech partnerships fit into their own strategic objectives based on their research, risk profile, and third-party risk management practices. Click [here](#) to access the press release and [here](#) to access the paper.

ACTION ON APPLICATIONS FOR THE MONTH

The following is a summary of official action taken by the Department on certain applications by Georgia state-chartered financial institutions, petitions for certificate of incorporation of financial institutions, and other matters of interest during the month of September 2021:

FINANCIAL INSTITUTION MERGERS

<u>FINANCIAL INSTITUTION</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Pinnacle Bank Elberton, GA	Liberty First Bank Monroe, GA	09/08/2021	
North Georgia Credit Union Toccoa, GA	Patterson Pump Federal Credit Union Toccoa, GA	09/13/2021	

APPLICATIONS FOR DE NOVO INSTITUTIONS

<u>FINANCIAL INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>BEGIN BUSINESS DATE</u>
Moultrie Bank & Trust Moultrie, GA	pending	

APPLICATIONS TO ESTABLISH A BRANCH OFFICE

<u>FINANCIAL INSTITUTION</u>	<u>BRANCH OFFICE</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Synovus Bank Columbus, GA	170 Saint Francis Street Mobile, Alabama	09/02/2021	
Georgia's Own Credit Union Atlanta, GA	881 Peachtree Street Atlanta, Georgia	09/15/2021	
Delta Community Credit Union Atlanta, GA	3920 West Terminal Drive Salt Lake City, Utah	09/15/2021	
River City Bank Rome, GA	206 Hwy 515E Blairsville, Georgia	09/14/2021	
Georgia Banking Company Atlanta, GA	6340 Sugarloaf Pkwy Suite 100 Duluth, Georgia	09/27/2021	
Georgia Banking Company Atlanta, GA	690 Collins Hill Road Lawrenceville, Georgia	09/27/2021	
The Piedmont Bank Peachtree Corners, GA	995 Riverside Drive Gainesville, Georgia	09/28/2021	

APPLICATIONS TO ACQUIRE A FINANCIAL INSTITUTION

<u>FINANCIAL INSTITUTION</u>	<u>MERGED INSTITUTION</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
First Volunteer Corporation Chattanooga, TN	FBD Holding Company Dalton, GA	09/02/2021	
ST HLDGS, Inc. Orlando, FL	Rochelle State Bank	04/28/2021	06/04/2021

APPLICATIONS TO CHANGE LOCATION

<u>FINANCIAL INSTITUTION</u>	<u>CHANGE LOCATION OF</u>	<u>APPROVAL DATE</u>	<u>EFFECTIVE DATE</u>
Ameris Bank Atlanta GA	From: 3700 Roswell Road Atlanta, Georgia 30342 To: 3724 Roswell Road Atlanta, Georgia 30342	07/13/2021	09/09/2021

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The Department is the state agency that regulates and examines Georgia state-chartered banks, state-chartered credit unions, state-chartered trust companies, international banking organizations, and bank holding companies that own Georgia state-chartered financial institutions. The Department also has responsibility for the supervision, regulation, and examination of Merchant Acquirer Limited Purpose Banks chartered in Georgia.

In addition, the Department has regulatory and/or licensing authority over mortgage brokers, lenders and processors, mortgage loan originators, consumer installment loan companies, check cashers, sellers-issuers of payment instruments, and money transmitters.

Our Mission is to promote safe, sound, competitive financial services in Georgia through innovative, responsive regulation and supervision.

Our Vision is to support vibrant economic growth and prosperity in Georgia.