



## **CBAI Backs BankTech Ventures and Forms Fintech Investment Fund**

*New Vehicle Enables Members to Invest in Community Bank-Friendly Fintechs*

**Springfield, IL (April 26, 2022)** --- Today, the Community Bankers Association of Illinois (CBAI) Board of Directors announced it has agreed to promote BankTech Ventures (BTV), a strategic investment fund that invests in community bank-friendly financial technology companies (fintechs). Additionally, the CBAI Board approved creation of Community BancTech SPV I, a special purpose vehicle (SPV) designed to enable member institutions and accredited investors to invest in BTV at a lesser dollar amount.

Co-founded by the Independent Community Bankers Association (ICBA), BTV invests in early stage fintechs that have shown the promise of helping community banks operate more efficiently, deliver leading edge services to their customers, and improve overall bank performance.

Creation of BTV sprang from the enormous success of ICBA's ThinkTECH Accelerator, which in four years has graduated 40 fintechs from its 12-week boot camp. Graduate fintechs emerge polished, proven and ready to serve community banks.

*"We (ICBA) began the ThinkTECH Accelerator in partnership with The Venture Center to more effectively bring fintechs and community banks together. It has worked phenomenally well with hundreds of bankers meeting these startups in our first 4 years,"* said Charles Potts, ICBA EVP and Chief Innovation Officer. He explained, *"It became obvious to everyone that they'd also want to invest in these companies in addition to doing business with them, and BankTech Ventures was created to provide that opportunity. The innovation ecosystem that's emerged around all of this is important to the future of community banking - we've tried to make it a big tent to welcome as many banks as possible and welcome the CBAI partnership to support that as well."*

The CBAI Board authorized creation of an SPV that will aggregate small dollar investments from the membership and provide a single investment into the BTV fund. Should the SPV raise \$5 million, its representative will be given a seat on the BTV Executive Committee, which oversees Fund management and all investment decisions.

*"Many fintech venture funds require a minimum investment of a million dollars and more, which is a significant financial hurdle for most community banks,"* said Jeff Bonnett, CBAI Chairman and President of Havana National Bank. He added, *"While BTV's already low minimum investment of \$250,000 enables more members to participate, CBAI leadership wanted to make it even more inclusive and formed an SPV that will aggregate investments beginning at \$10,000 for accredited individual investors and \$50,000 for banks or bank holding companies. All funds invested in the SPV will be upstreamed to BTV as investments are made during the next 2-3 years."*

In addition to potentially earning a financial return on the success of fintechs, community banks may benefit from connecting with emerging technology companies that have been thoroughly vetted by experts in community bank technology and investing. *"You can look at this fund as R&D for community banks,"* said David Loundy, Chairman and CEO at Devon Bank, Chicago, and a member of the CBSC Board of Directors and Innovation Committee. *"BTV performs a deeper level of analysis and on a larger scale. Finding the tech companies, evaluating the choices, performing due diligence, and selecting winners has a cost, takes time, and requires the right skills, which most community banks do not possess in abundance."* He concluded, *"Investing in the Fund potentially gives community bankers preferred access to pre-screened and vetted companies with a large level of industry support."*

The BTV and SPV are scheduled to close on June 30, 2022.

CBAI members have an opportunity to meet with the BTV team and bank-enabling tech companies during its Banking Innovation Summit on May 10-12 at **Convene**, 311 West Monroe St, Chicago, IL. [Register here](#).

For more information about [BankTech Ventures](#) or [Community BancTech SPV I](#), please contact:

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