

De novos breed small businesses, Florida Bankers chief says

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Why do we need new banks? Aren't there too many already, and didn't the financial crisis prove that a lot of small ones were too vulnerable to economic shocks?

Those are questions Alex Sanchez and other community bank advocates have been asked for years.

But Sanchez, the president and CEO of the Florida Bankers Association, says de novos provide a key ingredient the "entrepreneurial society" in the U.S. craves — a fresh supply of small banks that nurture small businesses.

He recently [wrote an op-ed](#) calling for more investment in community banks, pointing to de novo bank activity in his home state, as well as two recapitalizations, as evidence of a community banking resurgence. He noted four banks that have raised a combined \$200 million.

"As I talked to the bankers and they told me how much capital they had raised, I said, 'Wait a minute,' " Sanchez said in an interview. "Someone needs to tell the story ... that investors are coming back to community banks. Our country needs more community banks."

Florida's de novo crop

- [Coastal Community in Hollywood \(in organization\)](#)
- [Gulfside Bank in Sarasota \(Opened in Nov. 2018\)](#)
- [Silver River Community in Ocala \(in organization\)](#)
- [Tarpon Coast in Port Charlotte \(in organization\)](#)
- [Winter Park National \(Opened in Aug. 2017\)](#)

Source: Bank organizers, FDIC

The Federal Deposit Insurance Corp. has approved three applications from Florida-based organizing groups in the past two years. Winter Park National Bank opened in August 2017, and Gulfside Bank in Sarasota debuted in November. Coastal Community Bank in Hollywood plans to open later this year. At least three other potential banks are in the works in the state.

Sanchez recently spoke with American Banker about Florida de novo bank activity and why he expects investors to back community banks around the country.