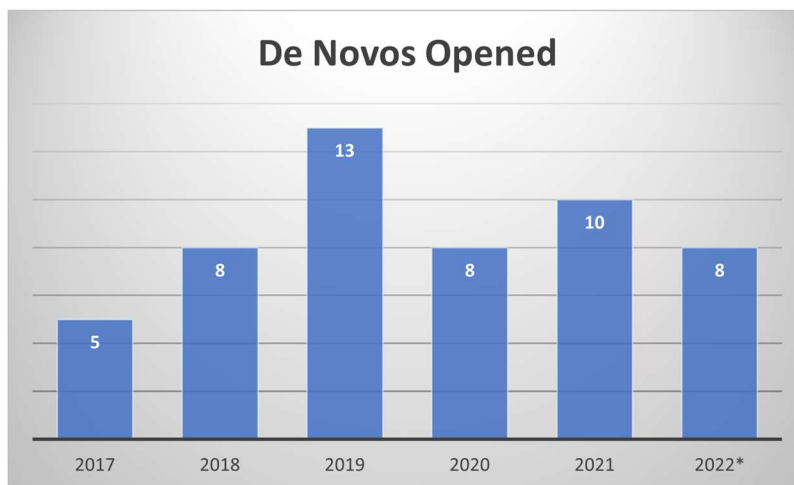


Good morning, Bank Slaters,

Happy July the Fourth weekend. I hope the weather cooperates and you get time outside over the next few days.

I thought I'd talk about de novo activity since I noticed that there are currently four active applications with the FDIC for deposit insurance, including one for [Zenith Bank & Trust](#). A few months ago, I saw a headline announcing a 'surge' in de novo activity. While there are more applications, approvals and openings compared to years past, I am hesitant to say we're seeing a renaissance of new bank openings.

Let's look at the data for new bank openings in recent years.



Source: FDIC (*data through July 1)

Openings are on pace to exceed last year as organizers look at niches and take advantage of new technology options. A rising rate environment should help recently opened banks with spread income, though they will need to be mindful of credit quality.

There is at least one compelling reason why it is unlikely the numbers will shoot up much higher than where they currently stand: *Capital*. The FDIC required the eight banks that have opened this year to raise a collective minimum of \$180.2 million, or roughly \$22.5 million per bank. Given the weak stock market and investor interest tilted largely toward fintech, it will be challenging for a large number of organizing groups to go to the well for initial capital.

Finally, at least 17 groups that filed with the FDIC for deposit insurance in 2020 and 2021 have so far been unable to get the agency's approval. So the overall success rate still remains relatively low.

I would really like to hear your thoughts. Reach out at paul.davis.mba@gmail.com.

Let's look at last week's headlines.

M&A

- PCSB Financial in New York [fielded acquisition offers](#) from three banks before deciding to deal exclusively with Brookline Bancorp in Boston.
- Northmark Bank in Massachusetts had [in-depth talks](#) to sell to another bank months before agreeing to be sold to Cambridge Bancorp in Massachusetts.
- The leaders of United Community Banks in Georgia and Progress Financial in Alabama [quickly bonded](#) as they discussed what would become United's agreement to buy Progress.
- UMB Financial in Missouri [has agreed to buy](#) the health savings account business of Old National Bancorp in Indiana.
- Landmark Bancorp in Kansas [agreed to buy](#) Freedom Bancshares in Kansas for \$33.4 million in cash in a deal expected to close in the fourth quarter.
- Greg Gonzales, the commissioner of the Tennessee Department of Financial Institutions, [has appealed a judge's decision](#) that would let Orion Credit Union buy Financial Federal Bank.
- Cornerstone League in Texas, and Heartland Credit Union Association in Kansas are [exploring a merger](#).

Arrivals/Departures

- Jim Cooper was named [president and CEO](#) of the Conference of State Bank Supervisors. He has been acting president and CEO since the [unexpected death of John Ryan](#) on May 16.
- BOK Financial in Oklahoma said that Norm Bagwell [will step down](#) as CEO of its Bank of Texas on Dec. 31.

- Western Alliance Bancorp. in Phoenix has [entered Utah](#) after hiring a team of business bankers.
- Avidia Bank in Massachusetts said iMark O'Connell, its president and CEO, [will retire in May 2023](#).

(Fin)tech

- Customers Bancorp in Pennsylvania has given formal notice to [end its deposit servicing agreement](#) with BM Technologies. Customers will replace the deposits with accounts gained from its blockchain-based instant payments token.
- The Independent Community Bankers of America has [reiterated its opposition](#) to a U.S. Central Bank Digital Currency (CBDC). The ICBA also advocated for more regulation over digital assets in a comment letter to the Commerce Department.
- New Peoples Bankshares in Virginia disclosed that its [recent systems issues](#) resulted from a cyberattack.
- New York Community Bancorp has [formed a partnership](#) with Circle Internet Financial in Boston where the bank will become a custodian for USD Coin reserves.

Miscellaneous

- First Bank of Highland Park in Illinois [changed its name](#) to First Bank Chicago.
- BMO Harris Bank in Chicago is [reducing its overdraft and nonsufficient funds](#) (NSF) fees for consumer and small business banking accounts.

There you have it. Find a park or hike a trail. Splash in a pool. If you can, get out and make the most of your weekend!