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## Newcomers to give Florida banks a run for the money

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PNC letters replaced National City Bank on a building in downtown Fort Lauderdale.

The battle for Floridians' wallets is heating up.

A series of bank takeovers, spurred by the recent financial upheaval, has brought several new banking giants to the state -- already one of the most competitive landscapes in the nation for banking.

It takes a scorecard to keep track of the players:

- San Francisco-based Wells Fargo & Co. bought a weakened Wachovia last year, snapping up the No. 1 position in deposit share for South Florida overnight.
- New York-based JPMorgan Chase acquired a teetering Washington Mutual, the big mortgage lender, which is providing a springboard to offer products and services beyond the old WaMu.
- Pittsburgh-based PNC Financial Services Group acquired National City Bank, setting a high priority on growing its business in Florida.

- And in August, BB&T, of Winston-Salem, N.C., acquired the deposits and most assets of Colonial Bank from federal regulators, in a move that will elevate BB&T to a South Florida force from a cameo role.

“It's really going to be a competitive environment,” said Miami banking analyst Ken Thomas, as he spotted a new temporary Chase sign at a South Dade shopping center branch last week. “South Florida is one of the best banking markets in the country.”

The latest round of mergers marks a third wave for Florida -- following consolidations after the savings and loan crisis between 1989 and 1991 and the “invasion of the North Carolina bankers” in the mid-1980s and 1990s, said Thomas.

Part of Florida's lure is a wealth of deposits from retirees, wealthy Latin Americans, and others who have liquidated assets to move here. With the recent changes, the strong banks have replaced the weak. And the newcomers are expected to shake up the market as they strive to make their mark.

That should bode well for Florida consumers and businesses, especially since many

Florida-based community banks are focused inward as they struggle with bad loans and cut back lending. Last Friday, three more tiny Florida banks closed, and more bank failures are expected.

“The beauty is we have stronger banks in Florida than before when the banks -- like WaMu and Colonial -- were hobbled by bad real estate [loans],” said William Hardin, a professor of finance and real estate at Florida International University.

The newcomers all insist that despite Florida's dicey economy, they are lending and are willing to lend in the state -- provided they find credit-worthy customers.

“We're very focused on Florida,” said Craig Grant, West Palm Beach-based president of PNC for Florida. Despite the state's current weak economy, he said, “we see Florida as an opportunity for growth for us.”

PNC, the nation's fifth-largest bank by deposits, completed its acquisition of National City at the end of 2008 and plans to open additional Florida branches and to lend to all size businesses from tiny mom-and-pops to large corporations.

In early November, PNC plans to integrate National City's branches onto its computer systems and finish installing new signage around the state.

Chase, meanwhile, has more diversified products and services than the old WaMu, including commercial banking and small business banking. In August, Chase unveiled its new signs and switched the old WaMu operations onto its computer systems. “We're planning on doing lots of expanding,” said George Acevedo, South Florida retail banking manager for Chase.

At Wachovia, Kathryn Dinkin, regional president of community banking for South Florida, sees credit loosening up recently -- at least to credit-worthy borrowers.

“It's going to be very thoughtful, prudent lending,” said Dinkin. “There are a lot of consumers and small businesses that can get credit. Without a doubt, it's better now.”

Wachovia was dragged down by its untimely acquisition of Oakland, Calif.-based Golden West, a pioneer in the risky option ARMs, or adjustable-rate mortgages, just as the housing market peaked in 2006.

Wachovia, which is the No. 1 bank in South Florida with 17 percent of deposits, is temporarily retaining its well-known name and tacking on “a Wells Fargo company,” at least until 2011 when its Florida branches will be integrated with Wells Fargo's systems.

Meanwhile, BB&T's recent Colonial acquisition boosted its position to \$4 billion in deposits in South Florida and 76 branches, up from 13. BB&T, a 137-year-old bank with a reputation for consistent profits and financial strength, plans to bring its style of banking -- local decision-making and high customer service -- to South Florida.

“To clients, our bank feels very much like a community bank -- local people and local decision-making, but with a large bank behind it,” says Michael Oster, president of the South Florida region for BB&T.

Of course, the stronger Florida-based banks aren't sitting idly as the new players move in.

“We're very active in the marketplace soliciting new business,” said Ramiro Ortiz, senior

executive vice president of Coral Gables-based BankUnited, the largest Florida-based bank. ``Out-of-town competitors are nothing new. The fact they keep coming ratifies everything we know about this being a great market."

BankUnited, which was taken over by federal regulators in May and sold to a group of private equity firms that injected fresh capital, is building its commercial lending and recently introduced new products, including small business loans of up to \$250,000 that can be reviewed and approved in a 24-hour period.

``We have an advantage," said Ortiz. ``We know this marketplace. Our decisions are made locally."

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