Follow The North Star

Wachovia’s Gary Klein (left) and Jorge Gonzalez hope to keep expanding market share.

Wachovia surpasses Bank of America in deposit share, largely on the strength of its operations in Palm Beach County.

This summer, Wachovia Corp. moved ahead of longtime leader Bank of America Corp. in the race for deposit market share in South Florida.

Wachovia executives say the Charlotte, N.C.-based bank’s performance in Palm Beach County is largely responsible for its premier position across South Florida, but its Miami-Dade and Broward operations are gaining market share quickly.

“We were around $600 million year-on-year in deposits here [in Palm Beach County],” says Gary Klein, Wachovia’s regional president for Broward and Palm Beach counties. The focus in that county is on core consumer checking accounts, with products that appeal to investors, who are particularly prominent.

“We have a large wealth management situation with a concentration on assets,” Klein adds. “We’ve also been very aggressive at customer acquisition.”

Wachovia held $26.7 billion in deposits at 252 branches across the region, as of June 30 data from the Federal Deposit Insurance Corp. Its 18.3 percent market share means it took the top spot that Bank of America and predecessor NationsBank had held since 1999. Bank of America was second with 17.8 percent market share and $26 billion in deposits.

The change took place amid this decade’s slowest overall growth in the region’s banking deposits, based on the data that banks provide.

On a county-by-county basis, Wachovia had a nearly 6 percent lead over Bank of America (also based in Charlotte) in Palm Beach County. Bank of America retained market share leadership in Broward County, and in Miami-Dade, trailed Wachovia by just .3 percent.

Jorge J. Gonzalez, who became Wachovia’s regional president for Miami-Dade and Monroe counties in July, is confident the group will widen its Miami-Dade lead.

“Interest rates and other conditions have to be conducive to growing deposits,” he says, adding that fourth-quarter momentum is strong.

Miami-based banking attorney Bradley D. Houser, a corporate, securities and banking shareholder at Akerman Senterfitt, says financial services markets in the three counties are different.

Palm Beach County, he says, “is more personal and more entrepreneurial, with a focus on the small to middle market. … Miami-Dade, on the other hand, is more international and a center for more cross-border banking. Broward County is something of a hybrid.”

Gonzalez agrees the market in Miami-Dade is different. “I don’t know that there are real significant differences,” he says, “but the Broward and Palm Beach markets are
much more seasonal. A lot of the customers leave May or early June.”

“The makeup is definitely different in Palm Beach,” Klein says. “It’s reflected in the percentage of the community that is involved in private banking and investment advisory markets. In a market like this, you can hold and grow the business through customer acquisition and loyalty.”

Meanwhile, a spokeswoman for Bank of America in Miami, Britney W. Sheehan, says the financial institution will continue on its present track of putting the customer, not products, first. But she also questions the accuracy of data that put Wachovia at No. 1 in the region.

“I don’t feel that FDIC numbers accurately reflect the strong performance in the retail sector,” Sheehan says. “The information doesn’t take into account the money markets where many commercial and corporate clients have shifted their investment. I would say the same if data next year showed the pendulum swing the other way. Simply put, we don’t place much stock in the FDIC figures and various methodologies used to compile them.”

While Gonzalez and Klein are undoubtedly focused on their deposit market share positions, they are also focused on the bank’s own strategies. Despite the differences in market, Klein emphasizes that the effort to consolidate the bank’s position is consistent across the tri-county.

“All three markets have been successful in the business and small business sectors,” he says. “It speaks to the great business departments down here and the flourishing economy.”

One of the efforts that the bank is using to expand its reach is the Wachovia at Work program.

“We’re using a strategy to make sure we bank a company and its employees,” Gonzalez explains. “We’re using our contacts in human resources to connect for business banking. It’s a great way to go after the business sector. You get 50 new accounts as opposed to one. This way you’re fishing with a net rather than with a hook.” — By Suzy Valentine

Back to Top