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Lakeview bank quick to reopen

By Scott Sternberg, Contributing writer

When Gulf Coast Bank opened its St. Bernard Parish branch weeks after Hurricane Katrina, there were only two other businesses open in the devastated area: a po-boy shop and a bar. "It was never an option. We never considered not going back," bank President Guy Williams said. "It was always how quickly we could get back."

Gulf Coast Bank was also one of the first institutions to reopen in Lakeview, a move that Williams said has helped solidify its position in the community.

"Because we're there and we have a meeting room," Williams said, "we have District 5 planning meetings, Girl Scout meetings; we're using that location as a hub for rebuilding." Gulf Coast Bank is just one of a number of local banks betting that customers will stick by institutions that stand by them during times of disaster.

Many banks are expanding, while others, such as the recently re-formed First NBC Bank, are setting records for capital fund raising.

Todd Murphy, senior vice president of Omni Bank, says his bank fits into the expansion category. In addition to reopening all of its pre-Katrina locations, Murphy's bank staff has grown significantly, and his institution is researching potential new sites on the north shore.

"We've hired additional lenders, personnel and more back-office support," Murphy said. "We're really growing on all fronts."

Murphy said the stress on the bank's employees has been tough.

"Our employees have made us successful. They've been bending over backwards to help people," he said.

Omni is also building a 15,000-square-foot facility in Baton Rouge as a hurricane operations center.

"We've been expanding before the storm and continuing afterwards," Murphy said. "A lot of our customers were adequately insured, and we didn't have a lot of exposure in the affected areas like St. Bernard and Plaquemines."

"On both fronts we've been very fortunate."

Meanwhile, First NBC Bank, which opened its doors in May in a New Orleans building once occupied by a predecessor of the same name, set a state record with the amount of capital raised for a bank startup. The bank raised more than \$50 million, much of which came from local investors. The new bank is concentrating on small business banking, retail banking and real estate.

Some banks are taking a wait-and-see attitude in areas such as eastern New Orleans and St. Bernard, while taking advantage of the situation to retire branches in close proximity, such as one of the two Chase banks on Harrison Avenue.

Michael Lulich, senior vice president and retail market manager for Chase, said that with a reduced population and staff, the bank will follow "what the population dictates" in areas such as St. Bernard and eastern New Orleans.

"The guess right now is how much is going to come back, " Lulich said. "We need the repopulation to justify us being there."

Lulich said his company has opened some branches in trailers as temporary locations until they can assess whether the area is coming back.

Cheryl Jones, a Whitney Bank spokeswoman, said her bank has three facilities that are "temporary" and that the company is consulting with insurers and contractors to decide whether the bank needs to "repair or rebuild" those locations.

Jones added that no decisions have been made to permanently close any of Whitney's branches, despite the fact that two banks -- on Broad Street and Read Boulevard -- remain idle. "We're still looking at what's going on in terms of population and trends, " Jones said.

Paul Bonitatibus, regional manager for Capital One, which has the largest market share in the area, said he would love to have a presence in places such as eastern New Orleans, but is wary about the activity levels in the area.

"We take leads from early activity, " Bonitatibus said.

He said Capital One hired an appraiser and local real estate professor to track activity such as building permits, giving the bank an unbiased and unemotional look at whether or not to reopen in some areas.

"These guys just come in and bring the sobering facts, " Bonitatibus said.

Capital One has banks open throughout the area, including in St. Bernard, but with a few unopened branches the bank will "keep an eye on whether we'll need them."

Deposits are up across the board, bank executives said, and Regions bank, which is expecting a fourth-quarter merger with AmSouth, is "looking to expand" its presence in the market, said Mark Ducoing, retail banking executive for Regions in South Louisiana.

Ducoing said Regions plans to show residents they can have a great local bank with options in case they have to evacuate.

"People from southern Louisiana evacuated, and almost every market they went to we had a presence," Ducoing said. "We have seen an influx of customers from smaller community banks who see the value of doing banking with us in case they have to do banking elsewhere."

But Gulf Coast's Williams said having a locally headquartered bank still counts in the consumer's eyes because of investment and staying power.

"The further away from New Orleans a corporate headquarters is, the less interest you're going to be able to get," Williams said. "If the president is located here in New Orleans, they'll be intimately involved with the locals. The local banks here have a tremendous vested interest in making sure the area succeeds."