

Smaller lenders say they profit looking beyond loan applications

By BILL LEWIS

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Middle Tennessee banks are working well past traditional bankers' hours to set themselves apart and carve out niches by following strategies to showcase unique strengths.

Two of the area's smallest banks, Nashville Bank & Trust in Belle Meade and Reliant Bank in Franklin, are succeeding with one location each in a region with a population of more than 1 million people.

Both are full-service banks, but neither is trying to be all things to all people. Instead, they are turning small size into an advantage, with an emphasis on personal customer relationships.

The relationships aren't limited to greeting clients by name when they walk in the lobby, says Tom Snyder, managing director of private banking for Nashville Bank and Trust.

Snyder, whose bank focuses on professionals and high-net-worth clients, says truly understanding their overall financial pictures can save clients money.

Small, locally owned community banks have a unique ground-level view of local market conditions and their customers, says DeVan Ard Jr., president and CEO of Reliant Bank.

Reliant opened in early 2006 after its 400 investors saw an opportunity created by Cincinnati-based Fifth Third Bancorp's purchase of Franklin National Bank four years earlier.

Franklin National's acquisition came in the midst of other banking consolida-

tions, including AmSouth's 1999 purchase of First American and Tupelo, Miss.-based Bancorp. South's 2004 acquisition of Premier Bank of Brentwood.

"When First American sold to AmSouth, that created a vacuum," says Ard, who resigned as AmSouth's Nashville president in 2004 to start Reliant.

Small, community banks are recreating a personal service market that existed in Nashville years ago, says Snyder.

"This is much different from the typical lending scenario, where you are focused only on the question before you of making a loan or not and everything you know about the client is on his loan application," he says.

Snyder says NBT tailors loans to ensure transactions maximize client benefits. As a result, the bank has never had to write off a loan that could not be repaid, he says.

"If we don't think it's a good deal for the client, we'll say 'no,'" he says.

NBT has made business and personal loans ranging from \$4,000 to more than \$10 million in its 41-month history, he says.

Dr. Richard Durocher, a Belle Meade optometrist, says NBT's tailored approach to lending saved him money.

"When I was ready to expand my business, I spoke with the big corporations," Durocher says. "I felt I was just a



Nashville Bank & Trust private banker Seth Cole [left] with Belle Meade Optometrist Dr. Richard Durocher. Durocher says working with a smaller bank saved him money.

statement to them."

Durocher says he contacted NBT and the bank crafted a loan around his needs.

"At the end of the day I ended up, because of their guidance, saving money," he says. "They would have made more money [if I had done] what I originally wanted to do."

Regions Bank also sees size as an advantage, only on the opposite side of the spectrum. The bank has 2,000 branches in 16 states.

"We have a convenience factor," says Regions Area Executive and Nashville City President Jim Schmitz.

"There is also a capability factor," he says, citing Regions' sports division and its entertainment division on Music Row.

"If you do a good job of training and have the right culture, there's no reason you can't provide the same customer service a smaller bank can," Schmitz says.

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