

Two banks noted for trust biz growth

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Two Nashville-area banks are seeing strong growth in their trust departments, ranking in the top 25 fastest-growing trust departments in the country based on the return on assets.

At a time when some banks are getting out of the trust business and others are outsourcing it, Nashville Bank and Trust and Pinnacle Financial are focused on growing in the niche.

Both banks are seeing growth in assets and income, without raising fees as many trust departments did last year, both banks say.

Nashville Bank and Trust ranked 14th in the country in return on assets with asset growth of 26 percent and income growth of 71 percent.

Pinnacle ranked 22nd in return on assets with asset growth of 2 percent and income growth of 54 percent.

Other banks their size that have trust departments had average asset growth of 9 percent and average income growth of 10 percent.

"A lot of trust departments in the country don't make money," says Bernard Garbo, editor of the Trust Performance Report. Garbo says about 20 percent of commercial banks have trust departments and, of those, 6 percent have trust departments that are viable as an independent business.

Trust departments manage trust account assets for personal and employee trusts and corporate accounts. Many settle estates and act as transfer agents for corporations.

Derrick Jones, managing director of Nashville Bank and Trust, says the trust department is growing and securing new clients because employees are focused on taking care of client needs.

Robert Newman, Pinnacle's Trust manager, says Pinnacle is proud of its growth in its trust department because it's harder to achieve growth when the market is not growing.

"The trust business has been a traditional part of offering full financial service and we want to be a full service provider," Newman says.

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