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Colonial Bank planting its flag in the Alamo City market

San Antonio Business Journal - by [Tamarind Phinisee](#)



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Louis Derrick of Colonial Bank says the lender is expanding its reach into San Antonio.

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Montgomery, Ala.-based [Colonial Bank](#) is going against the tide during these troubled times in the financial-services industry with plans to expand its mortgage and banking operations into the Alamo City.

Over the next year, Colonial expects to open up to five retail banking branches and a permanent mortgage lending office in San Antonio, bank officials say.

The financial services company recently unveiled a temporary mortgage lending office on the city's North Side, at 8000 IH-10 W.

That office currently houses about 10 employees. The new office marks the lender's entry into the San Antonio market.

Louis Derrick, regional manager for lending for Colonial Bank in San Antonio, says the lender would like its permanent mortgage operation to be located somewhere in the vicinity of Highway 281 and Loop 1604.

Derrick says Colonial has narrowed down its choice of locations to three possible sites and hopes to be in a permanent location — which will house about 25 or 30 employees — no later than the end of January 2009.

The lender is expanding its footprint into San Antonio because of its healthy banking market and the city's continued job growth.

“San Antonio truly is a great market, and I think (it is) ahead of the national trends ...,” Derrick says. “We don't have the foreclosure problems that other parts of the country have. So, the outlook for business in San Antonio is really excellent.

“... We feel it's a great time to go and gain market share,” he adds. “And, frankly, that positive attitude has allowed us to attract some of the top loan officers in San Antonio.”

Joe Mays, president of the San Antonio Chapter of the Texas Association of Mortgage Bankers (TAMB), says San Antonio is one of the best markets to be in right now with respect to real estate and mortgage lending. Mays points out that mortgage credit has and continues to tighten locally and that some mortgage companies have scaled back operations and some smaller brokerages have closed. However, Mays says, if a company is going to stay in the mortgage business, San Antonio is a good place to be at the current time.

Community bank feel

Derrick says Colonial also wants to extend its retail banking reach into the Alamo City.

To that end, the lender plans to open five full-service branch locations in San Antonio, one of which will serve as the main office for Colonial in the city and will house the bank's back-office operations.

The main branch, Derrick says, may be as large as 10,000 square feet. The remaining branches will range in size from 5,000 square feet to 7,000 square feet.

The goal is to establish the new branches in the following parts of town: the Westover Hills area, Camp Bullis and Interstate 10, Huebner and Loop 1604, Alamo Ranch, and Highway 281 and Evans Road.

Four of these branches are expected to be completed by the end of next year. Exact opening dates and physical street addresses will be released at a later date, Derrick says.

Derrick says lending decisions will be made at the local level — targeting people who value a community banking relationship. So far, he says, Colonial has a \$25 million portfolio of business loans in San Antonio — booked through its Austin banking operations.

Colonial's expansion plans for San Antonio are part of a bigger strategy to increase the lender's presence in states such as Texas, Nevada, Georgia and Florida. Colonial operates 344 branches across its network and had some \$26 billion in assets at the end of the second quarter.

In Texas, the lender has a total of 20 locations in Dallas and Austin, which includes full-service branch locations and separate mortgage operations.

Colonial Bank, a subsidiary of [The Colonial BancGroup Inc.](#) (NYSE: CNB), offers a broad line of retail and commercial banking products and services, including treasury management, checking and savings accounts, online banking, and mortgage, personal and commercial loans. It also offers asset management and financial planning solutions and insurance through [Colonial Brokerage Inc.](#)

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