First Interstate Bank of Southern Louisiana Is Part Of A New Breed Of Small Bank

HERE'S A NEW BANK IN TOWN, BUT IT hasn't exactly made headlines since arriving in Lafayette this past July. That's the way First Interstate Bank of Southern Louisiana operates. Don't expect glitz and flash from this newcomer, at least not yet.

There isn't even a sign or office numbers at First Interstate's loan production office at Petroleum Center on Pinhook. "We do very little advertising in the LPO [loan production office] phase," says vice president and Acadiana regional manager Brent Logan.

The understated presence and low profile are an intentional part of First Interstate's strategy, and it coincides nicely with the bank's conservative philosophy amid the changing nature of the industry in general. Corvette and hoopla are discarded in favor of old-fashioned business calls, with First Interstate's entry into the Lafayette market concentrated primarily on commercial transactions.

"If you want good business, you've got to go out and get it," says Logan. "We go to the customers. They don't come to us. Those days in banking are over. Bankers are going door to door. I can guarantee you that Whitney and Hibernia have already been there." Logan characterizes his main role as that of a salesman. "I live in the car," he says. "If I haven't been there yet, I will be there shortly."

This intimate appeal is only part of a larger network of the First Interstate Bancorp that is headquartered in Los Angeles. The Louisiana franchise was started in Thibodaux in 1987, when Citizens Bank and LaFouche National merged and joined the First Interstate group.

"We run our own shop. We just get consulting help," Logan says. "We have access to a lot of banking services that a smaller bank does not have." Annual corporate meetings are attended by top Louisiana personnel, "mainly to find out what's going on within the structure.

The combination appears to be working, because the numbers are impressive. With total assets of $483 million, First Interstate of Southern Louisiana's capital base would make it one of the stronger operations in Louisiana.

A listing of the top 50 super-safe banks in the United States places First Interstate Bank of Southern La. at No. 49. The compilation was conducted by Veribanc, an industry-recognized ratings service. The Louisiana contingent of First Interstate banks have also experienced a growth rate of 13 percent over the past year, dating from July 1989 to July 1990.

There are now 12 First Interstate branches in LaFouche Parish, and one each in Houma, New Orleans and Baton Rouge. Lafayette's loan production office should mature to a full service branch within the next year, and the outlook suggests further expansion.

"I can see us adding to the branches we already have," says Logan. "We're offering very competitive commercial rates," says Logan.

Other incentives include reasonable closing costs and quick response time. Usually a client knows if a loan has been approved within seven to 10 days of an application, he says. Real estate is the main collateral required at First Interstate.

"If you want good business, you've got to go out and get it," he says. "There's no rush. We take our time. We prefer to have quality rather than quantity."

ON THE SURFACE, LOGAN'S APPROACH MIGHT APPEAR to be at odds with the bank's conservative, low-key nature. Far from being staid or stuffy, he conveys youth, enthusiasm and aggression. In fact, though, his style is matched to the changing nature of the industry and its players.

The Lafayette native spent five years at Whitney National Bank (joining it while it was still American Bank & Trust Co.), then served a brief stint with MidSouth National Bank before joining First Interstate this summer. "I don't like to change banks that frequently, but this opportunity was real hard to pass up," Logan says. He is also currently enrolled in the executive master's of business administration program through Tulane University. It allows candidates to continue full-time employment while scheduling classes on weekends. He should complete the 20-month course next August.

Logan is confident that Lafayette can support another bank. He says that smaller banks are beginning to carve out niches pertaining to certain areas of expertise, and this is the wave of the future.

"I don't say that we'll be a Premier Bank with one on every corner. We're not going to be everything to everybody, but we'll be a very competitive bank in what we feel we can do profitably," he says. "We're not on any accelerated growth pattern that we have to dominate any market."

Deregulation and stringent federal guidelines have done their part to make the banking industry more competitive and generally more cautious. The transformation has led to adjustments, says Logan, but money is still available for a good project.

"I wouldn't say it's any harder to get money. I would say the quality of the loans are narrower. I wouldn't say it's any harder, but I wouldn't say it's any easier. There is money out there to borrow," Logan predicts that the continuing evolution of the industry will lead to the demise of more banks, but he foresees strong community banks taking their place. The global market of the economy will play an increasing role that should have an impact on neighborhood financial institutions throughout the next decade.

"Banking is just like any other industry in the world. It's going to have to deregulate and get more competitive," he says. "The ones that are strong will still be there."

BY MARCELLE TESSIER