

30 Years MIAMI TODAY

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SERVING SOUTH FLORIDA'S MOST IMPORTANT AUDIENCE

Since he moved to Miami in 1979, Rick Kuci has devoted his career to banking. He is passionate about it and looks for the same trait in employees. His journey from Southeast Bank, where his professional path started, to others such as Bank of Florida, County National Bank and Kislak National Bank, led him to Coconut Grove Bank in 2005. Since July, Mr. Kuci has been president and CEO of the 87-year-old bank.

His main goals are growth and a successful move to the adjacent parking lot, where a new building is to be finished in 2016. Mr. Kuci holds the role of smaller banks to be very relevant in the current scenario, particularly to help revive the economy.

Miami Today reporter Vanessa Zambrano interviewed Mr. Kuci in his office in Coconut Grove.

Q: Even though you were born in Pensacola you moved around and you also lived in Virginia and California. Did you live anywhere else?

A: Yes. My dad was in the Marine Corps so every two years we moved around: we were three times in California, three times in Virginia, two years in Alabama and two years in New York.

Q: How was the experience of moving so much?

A: I loved it. To me, it made you very adaptable, you made new friends at each city and you can familiarize yourself with a new town very quickly.

Q: And then after all that you went to Alabama for school?

A: I went to Auburn in Alabama, correct.

Q: After that why did you

THE ACHIEVER



Rick Kuci

President/CEO
Coconut Grove Bank
2701 S Bayshore Drive
Miami 33133
(305) 858-4006
rkuci@coconutgrovebank.com

Age: 56

Born: Pensacola, FL, and grew up primarily in Virginia and California

Education: BS in international business in Auburn University

Personal Philosophy: I'm passionate about life and banking and I want employees that are passionate about banking. You have to have passion.

decide to move?

A: I was recruited by Southeast Bank, which was the largest bank in Florida, to come down into their management training program. That was in 1979. I came down with Southeast Bank and never left Miami, loved it.

Q: And you've been in Miami since then?

A: The whole time, 34 years.

Q: You studied international business. What drove you to banking specifically?

A: I was dealing with people, dealing with the finances, dealing with small companies and seeing them grow, being able to help them grow and we've had many companies that have grown to be larger public companies; so you're a Jack of all trades, and helping companies maneuver the tough financial situations that come about in the economy.

Q: So you've focused on banking the entire time you've been in South Florida?

A: Yes.

Q: When did you join Coconut Grove Bank?

A: I started in 2005.

Q: What positions have you held since?

A: I came in as executive vice president, chief lending officer and a member of the board of directors and recently was promoted to president and CEO at the bank.

I can't say enough good things about the bank. It's the oldest bank in the tri-county area. We have a great employee base – that's one of the things I love about the bank – and we have one of the strongest capital bases in South Florida.

Q: How many people do you currently have on staff?

Rick Kuci plans to build Coconut Grove Bank team as he...

A: We have 102 employees.

Q: *Have you seen growth in the staff?*

A: Not until recently because, as you know, the South Florida economy over the past three years was hurt, very slow, but we're entering a new phase for Coconut Grove Bank. We want to get more into organic growth so we see that 102 number growing as we look to hire passionate employees and good business developers, both on the lending side and in the trust and wealth management side.

Q: *You were promoted to president and CEO in July?*

A: Correct.

Q: *What measures have you applied since then or wish to apply here at the bank the remaining of the year?*

A: First of all, we've got to finish completing, building the team. As I said we've got to bring on some good proven business developers, and I think they'll enjoy the atmosphere here. If they're hard-working they're going to enjoy it.

Second, we're going to be working towards a new building. We sold the property here. We're building brand new 30,000-square-foot building adjacent to this building that we'll occupy sometime in 2016. So we've got to do the space planning and start overseeing the construction of that.

Q: *And meanwhile you'll stay in the same building?*

A: We'll stay here the whole time. The new building will be eight feet away from this building, in the lower parking lot that you see. That's exciting because this building is 55 years old so we're going to have a brand-new building, underground parking for employees and a modern building.

Q: *Is it going to be bigger?*

A: No, it's going to be a little bit smaller than this building. It's going to be two stories and 30,000 square feet. In this building we have seven floors but we have other tenants. In the new building it's only going to be bank, bank departments and bank employees.

Q: *What will happen to the tenants?*



Photo by Marlene Quaroni

"I think the revival of the economy is dependent on the smaller banks," says Rick Kuci, who became president and CEO of Coconut Grove Bank in July after eight years there.

A: The tenants that are here will need to find other locations in Coconut Grove because that will be strictly a bank building.

Q: *And the land itself was sold?*

A: We have 5½ acres which we sold. We're going to build 30,000 square feet on a little over an acre. When the building is finished we will buy that building back and we'll own the one acre on the corner of Southwest 27th Avenue and Bayshore Drive.

Q: *When was the deal finalized?*

A: Aug. 1.

Q: *Are you going to follow the direction that the bank has had so far or are you planning on taking different steps?*

A: The new direction now is growth because, again, our bank like most banks had a tough three years. The economy in South Florida wasn't the most conducive to growth, but we've started to see the economy turning around.

We've started hiring new people. We've had some sales training for our folks and again looking to bring on proven business developers. So you'll see the bank go from a \$620 million bank and start growing from there.

Q: *When you say growth, does that also include new branches?*

A: We'll take a look. Once we start the internal growth sometime in 2014 we may take a look at acquisition

opportunities if they present themselves.

Q: *What about online banking? Is it also targeted for growth?*

A: Definitely. Christine [Woll] is in charge of the online banking and that was an initiative we started about a year ago and we've staffed the department. We got a state-of-the-art system and we're trying to have all the delivery channels for clients, whether they want in person, teller, in the branch, ATM, online banking that they can do 24 hours a day.

Q: *Coconut Grove – as a name and as a brand – is localized. If you do expand and grow, would you change the name of the bank?*

A: We have found, since we've been here for 87 years, that a lot of our customer base has migrated to other parts of Florida, so the name is still fairly well-known in Broward and a little less known in Palm Beach.

I think if we went to Broward you may not necessarily need to do a name change because, again, most people know Coconut Grove Bank. If you go out of Dade or Broward counties you might need to visit that, but initially the first step for growth would be into Broward County.

I don't see us going statewide. I think we'd stay in the tri-county area.

Q: *Do you have a particular goal in numbers of employees that you're*

...prepares for move to new headquarters building next door

pushing to get to?

A: It's depending upon the right employee with a good loyal following. To me we always have an opening for good proven producers who want to join a bank that's well capitalized, strong, one of the strongest in Dade County, and want the challenge of bringing a portfolio over and growing with the bank.

Q: Can you tell me some of the niche areas that the bank focuses on?

A: Sure. We deal a lot with small businesses. We deal a lot with owner-occupied real estate, investor real estate. Then we have a great trust and wealth management department, and we have a retail wealth management brokerage division.

And for larger accounts we handle them up in our trust and wealth management department, where they have a dedicated trust administrator investment advice and we match right up there against all the large trust companies out there from Northern Trust to the Bank of New York Mellon [BNY Mellon], to the Sabadell [United Bank], all of them.

Q: How is the interface with the board?

A: The board and shareholders, we feel very much aligned. We have some great board members on there. If you take a look at them we have people that are experienced bankers that have run successful banks in Dade County for many years. We have the chief administrative officer of Baptist Hospital. We have some accountants, we have some attorneys, we have private investors. So we've got a great board, wealth of knowledge and are very much aligned together.

Q: What do you think has now become the role of smaller banks after the 2008 economic downturn?

A: I think the revival of the economy is dependent on the smaller banks. They're the ones.

Miami is a little bit different because we're such a large metropolitan community, but if you look throughout the country, there's a lot of small communities that a large bank isn't going to be interested in going in. There \$100 million banks out there that have been

in the that community for 50 or 80 years that have started, funded, established a lot of the businesses, financed a lot of the homes. So to me, community banking is the backbone of America, the backbone of the economy to get it jump-started.

Q: How's your client base?

A: Very loyal. We have second and third generations that have banked with us. It's always pleasing to go out and visit with a client and they may be in their 50s or 60s and they say "my parents first opened my first bank account at Coconut Grove or my grandparents banked at Coconut Grove."

This bank played a very instrumental role in developing Coconut Grove, a lot of the houses that were built. We have a long history with University of Miami and it was very vital in the development.

We're very much relationship driven. We get to know our customers. We listen to them in good times and in bad times and we try to be there for them when they need us.

Q: What kind of changes have you seen since you got into banking in the area?

A: When I first got into banking Miami didn't have what was called branch banking, so if Coconut Grove Bank had five branches, each one was a separate bank, a separate board of directors and a separate CEO. So the first step in the early '80s was bank consolidation where you rolled the charters into one bank. Second was they didn't used to pay interest on checking accounts, so that put a challenge out there to the bank.

In South Florida you've seen many real estate cycles, ups and downs, and each one you think is going to be the worst ever. I will admit this last one is the worst that I've seen, but one nice thing about Miami is the international economy that we've got. The influx of dollars from overseas from Central, South America, and from Europe that are coming in, it quickly buoys the South Florida market.

Q: What would you consider to be Coconut Grove Bank's principal competitor?

A: Unfortunately, every bank... from the aspect that we all offer the same products and services. There may be a little differentiation between them all but the only difference is the service that we deliver.

We all have wire capabilities. We all have online banking. We all have bill pay services, are all priced about the same, but to me it's the people part of the business, and that's why I want employees that are passionate about it because that's what may set us apart from a larger institution or the institution on the next corner.

Q: Is that how you wish to keep Coconut Grove Bank positioned?

A: We're going to continue to be out there to deliver the best service with the best product.

Q: How many branches do you have right now?

A: We have five offices total. This is the main office in Coconut Grove and we have four other offices in Aventura, Coral Gables, South Miami and Palmetto Bay.

Q: You also mentioned capital.

A: Our capital today is about \$95 million, which is a strong capital ratio for our size in South Florida, and I've got room to grow and I've got substantial shareholders and access to capital if we need additional capital.

Q: How do you see the future of Coconut Grove Bank?

A: I'm excited about the future of the bank because, as I said, today as we sit we're the oldest bank in the tri-county area. Out of 200 banks in Florida we're the eighth oldest bank.

If you look at our capital we're the second or third best capitalized bank percentagewise in South Florida. All my ratios that regulators look at are some of the strongest ratios in South Florida, so we're poised for growth.

So with the change we said we just wanted to start organic growth, bring on proven producers, so to me this is the best opportunity, the best bank to work for going forward. We're poised for growth and we're continuing to look at new products, new services, and I'm looking for those passionate employees out there that enjoy banking, that want to have a challenge.

Q: How have you found Coconut Grove Bank different from other banking institutions?

A: I like the rich heritage of 87 years. During the downturn in the economy we had many customers come open new accounts with us and we'd ask them why. They said, "we know you guys have been the rock of ages. You guys have withstood so much over 87 years."

This building is a landmark, people recognize it, know that we've been here so we've weathered the storm and we've got some great passionate employees on staff already. The team here is great. I think our oldest tenured employee has been 35 years with the bank and we have a lot of employees that have been here 20, 22 or 25 years. It says something about the bank, the culture and the service that they like delivering.

We don't tend to have the employee turnover that some of the larger institutions have and everything is local decision-making. We have local management here. Our board of directors is local. Loan decisions are made locally, so we don't have to wait for a decision out of California, New York or North Carolina.

Q: Yet Miami is a very international city. Do you have many clients from Latin America or elsewhere in the world?

A: About 10% of our deposit base is

international, from every country you can almost imagine. You can't be in Miami without having an international flavor to you. That's part of the joy of Miami.

Q: Are you a member of any organizations in Miami?

A: Yes there are two. One is called World President's Organization [WPO]. The second, I'm chairman of the board of Neighborhood Lending Partners, which is a consortium of local banks to provide financing to developers of affordable housing and community revitalization projects. It's a very worthwhile organization.

Q: How long have you been involved?

A: In World President's Organization for about 12 years and in Neighborhood Lending Partners probably about the same time.

Q: Tell me about your family.

A: I've been married 26 years now. My wife Renee and I have two children. One just took off to college. My son is 18 and I took him to the University of Wisconsin two weeks ago, so that was an interesting chapter in life. Then I've got a 10-year-old daughter, so a wide age difference... Of course, now she misses her big brother.

Q: Do you have any hobbies?

A: I've got two that I enjoy doing. One is road bike. On the weekends I put in a lot of miles on the road bike,

early in the morning as you see everybody up and down the streets, I'm one of those.

Q: In Coconut Grove?

A: No, I live a little bit south of here but I'll put in 30 or 40 miles on each day and the other.

I also love fishing, whether it be offshore fishing or what they call back country fishing.

Q: Around here, or do you go to the Keys?

A: Miami and the Keys, and what's called Flamingo for backcountry fishing. In South Florida, that's the beauty of it, being able to be outdoors all year around.

Q: Do you plan to stay here?

A: This is where I plan to stay. I love Miami. I love the culture, the weather, and especially from January to May you can't find a better climate anywhere in the country.

Q: Did you adapt to other places just as well?

A: Oh, yes. Definitely adapted to that surroundings, the people, the culture. Coconut Grove and South Florida remind me a lot of Southern California. The weather is very similar. Southern California doesn't have the humidity that we have here, but still, the sun, the ocean and the water.

