

# Bank finds niche market among wealthy customers

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Signature Bank, which plans to open an office in White Plains this year, has an unusual expansion strategy, and its planned branch opening reflects it.

In an attempt to let its bankers build personal relationships with clients it builds where its senior bankers can draw customers.

Signature focuses partly on private banking, offering personal and business loans as well as payroll accounts and letters of credit to wealthier customers. Private banking accounts for 17 percent of Signature's revenues, business banking for 83 percent.

The bank's focus on developing personal relationships is an attempt to further distinguish itself from its competitors, said Joseph J. DePaolo, president and chief executive officer of Signature.

First, the bank finds an experienced banker who may be dissatisfied as bank mergers and acquisitions have roiled the management of major banking companies, he said.

After that banker joins Signature, the bank waits for him to build up a clientele of relatively wealthy owners of small- to medium-sized-businesses whom the banker already knows, DePaolo said. Then a new office is opened.

The latest banker to start a new office for Signature is John C. Ricchezza, who will head Signature's downtown White Plains office once the bank signs a lease agreement and sets up shop. The location should be convenient to some lawyers that are already Signature customers, as well as municipal offices that have bond business with the bank, DePaolo said.

Ricchezza has 28 years experience in the field. He began as an assistant treasurer for Bankers Trust Co., which later became National Westminster Bank, then Fleet Bank and now Bank of America. He was a senior vice president at Bank of America's White Plains office, where he spent 21 years, until he quit to work with Signature.

Ricchezza and Isabel Shevlin, who form the nucleus of the new office, have been working out of Signature

Bank's first branch in the county, in New Rochelle. More bankers are being hired to fill out the "banking team," according to the company.

With a new branch office, Signature will recruit other teams of bankers who will locate there and who in turn may open their own branch offices elsewhere, DePaolo said. Any new locations will depend on what customers future bankers bring in, he said.

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*— Howard Applebaum,  
executive vice president  
and senior lending officer,  
Sterling National Bank*

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Signature and other banks in the private banking field say the area near White Plains and in wealthy communities to the north are fertile ground for their high-service, personal-touch niche in the industry, although bank offices don't need to be physically close to clients in order to perform it.

Howard Applebaum, executive vice president and senior lending officer at Sterling National Bank, said that since the bank acquired its Yonkers branch from City and Suburban Federal Savings Bank last year, "the branch has been growing very nicely," but Sterling may also expand into central and northern Westchester County.

"It's just our first (branch)," he said. "We have other expectations to advance in other marketplaces further north. We

think it is an untapped area of New York. We're hopeful that we'll have one in that area in the near future."

Like Signature, Sterling National Bank focuses on serving small- to medium-sized businesses, in part by making quicker decisions on loans, and on providing private banking services to the executives who own and run those companies, Applebaum said.

Bonnie Bell-Curran, managing director of Citigroup Private Bank's Chappaqua office, said her territory goes as far north as the Albany area, although customers sometimes do want to visit her offices and that can even include well-known customers.

"We have some famous clients in Chappaqua, including a certain famous client I can't name," she said. Bell-Curran wouldn't confirm whether or not she was talking about Bill Clinton. "It's always interesting to have him walk by when we have clients sitting in the office."

There isn't much difference in the types of services offered in private banking, said DePaolo. "It's really service," he said. "Everyone has similar products, and if somebody comes up with a new variation of a product, shortly thereafter everyone has that, so it's really a matter of being able to react and being proactive on a daily basis with your clients."

But DePaolo also agreed with Bell-Curran that private banking services provided by large banks such as Citibank tend to focus more than Signature does on customers with greater wealth. She said those customers are more interested in the management of trust and estate planning along with art advisory services and international banking services that Citibank prides itself on.

Citibank tends to compete for those clients with other large banks or investment houses like Merrill Lynch, she said. About Signature and Sterling, she said, "We very seldom come up against them."

Signature was started by DePaolo and several other bankers who were working at Republic Bank before it was taken over by HSBC bank in 2000. In the years since, the bank has grown to \$3.5 billion in assets and \$2.76 billion in deposits.