

Florida Trend

➤ International

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Chile's Bci purchase of Miami's City National Bank (pictured) marks the first time a Chilean bank has acquired a U.S. bank.

Banking on U.S. Growth

Chile's Bci makes a big push into Florida.

Chile's third-largest bank, Banco de Credito e Inversiones (Bci), is making a major foray into the U.S. with its purchase of Miami-based City National Bank from its Spanish parent. Bci has had a Miami branch since 1999.

The \$882-million acquisition is the largest investment in the United States by a Chilean company and the first time a Chilean bank has acquired a U.S.-based bank. The move represents an important growth opportunity for Bci, says CEO Lionel Olavarría. Chile, while one of Latin America's more stable and wealthy economies — the World Bank says 2011 GDP was \$248.6 billion — is growing slowly. The City

National acquisition will help Bci diversify its income and its loan portfolio and take advantage of Florida's economic recovery. At the same time, Bci will bring its expertise in international corporate banking to City National, which has 26 branches in south Florida and Orlando. Olavarría also expects to add Bci's trade-finance capabilities to City National, especially for small and mid-sized companies, which are an important customer segment for both Bci and City National.

Trade between Florida and Chile, boosted by a 2004 free trade agreement, rose 11.7% between 2011 and 2012, and the nation is Florida's No. 7 merchandise

trading partner. Gov. Rick Scott, during a May trade mission to Chile, said he expects Chile to be among the state's top three trading partners in the future.

City National is one of Florida's largest and most stable community banks. Its former parent, Bankia, Spain's third-largest lender, had all but collapsed last year until it was bailed out. Part of the deal involved the bank agreeing to sell all its foreign assets, and Bankia will take a loss on the sale.

Bci, which has \$30 billion in assets, would be the 44th-largest bank in the U.S., Olavarría says. Its size and existing Miami branch likely will make it easier to get approval from regulators, who have been cautious about issuing banking licenses in recent years, says Jim Cassel, chairman and co-founder of investment banking firm Cassel Salpeter & Co. "This will be their U.S. beachhead," he says.