

Horizon Bank names Burnett new president, CEO

From Staff Reports

Chris H. Burnett has been selected as the new president and chief executive officer of Decatur-based Horizon Bank. Burnett, 40, is a 20-year veteran of the community banking industry in metro Atlanta, including responsibilities as president and CEO of Eastside Bank & Trust Company in Gwinnett County prior to its acquisition by Main Street Bank.

Most recently, Burnett served as the division president for Main Street Banks operations in Gwinnett and DeKalb counties.

He has also held management positions with First Bank of Georgia and the Chattahoochee Bank.

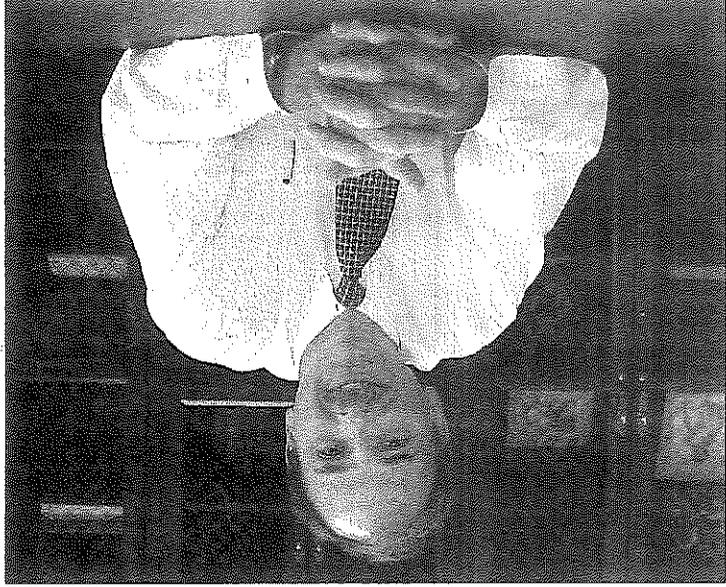
"I'm very excited to join Horizon Bank because mergers and acquisitions in metro Atlanta have created a real need and opportunity for community banks to

serve those clients that are often overlooked by the larger by the larger institutions," said Burnett.

"This is especially true for small business owners who want more than just a source for money — they also want a reliable financial partner. Horizon Bank is working hard to be that kind of partner and to provide our clients with a superior level of professional, personal service."

In a related management addition, Horizon Bank named Edward L. Briscoe as executive vice president and chief financial officer.

A veteran of community banking, Briscoe was formerly the chief financial officer for Eastside Bank and, most recently, was responsible for risk management at Main Street Bank. Horizon Bank is the third community bank at which he and Burnett have collaborated.



Chris Burnett is the new president and CEO of Decatur-based Horizon Bank.

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Minority banks are thriving

Deposits jumped 213% in five years

By Meredith Jordan
STAFF WRITER

Minority-owned banks in Georgia are growing much faster than nationally and faster still than Atlanta banks overall. New figures from the Federal Reserve Bank show deposits at minority-owned banks in Georgia soared 213 percent over the past five years.

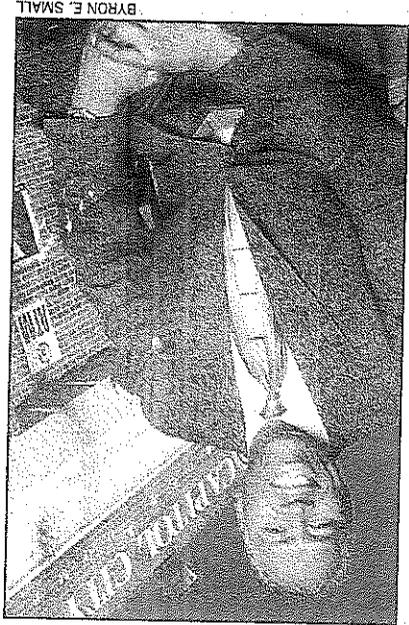
\$648 million in deposits on Sept. 30, the most recent data available. (Most of the deposits are in metro Atlanta branches.) In comparison, the four minority-owned banks operating in Georgia in September 1997 had \$207 million in deposits. Georgia's minority-controlled banks also are growing at a greater clip than banks in the Atlanta metro area. Deposits for all banks in the metropolitan statistical area increased 37.5 percent, where deposits have grown 218 percent since 1997.

from \$45.2 billion to \$62.1 billion, between June 30, 1997, and the same date in 2002, the cutoff dates used by the Federal Deposit Insurance Corp.

Deposits at minority-controlled banks nationwide have grown nearly 60 percent since 1997, or less than one-third the pace of

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Community role: George Andrews of Capitol City Bank and Trust, where deposits have grown 218 percent since 1997.



BYRON E. SMALL

growing.

Of five bank presidents interviewed for this story, most said marketing to their niche clientele was a key part of their business plan. Many also stressed, however, that they were, first and foremost, community banks.

"The big change in the African-American [banking community] has been the evolution toward being a strong and profitable financial institution that happens to serve, among others, the African-American community," said Walt Moeling, an attorney at **Powell Goldstein Frazier & Murphy LLP** and head of the firm's financial services group. "That is in contrast to the more historical model of being a financial institution that services the African-American community and may make a profit."

The appeal of the area's oldest and largest minority-owned bank, **Citizens Trust Bank of Atlanta**, is as a community bank, said Jim Young, president and CEO of Citizens Trust.

"Our mission is not different than other community banks except that we happen to be minority owned," he said. "Our focus is on being the very best community bank that we can be."

Even so, Young estimates that 90 percent of his customers are minorities. "That isn't necessarily by design. It's based on historical perception of the company, which was founded in 1921 as a minority banking institution."

Citizens had some \$267 million in assets and \$226 million in deposits at the end of September, according to the Federal Reserve. That's up from \$128 million in assets and \$116 million in deposits in September 1997. That amounts to a 109 percent rise in assets and a 95 percent increase in deposits.

which had three offices in 1997, reported assets of \$33.5 million and deposits of \$28 million that year. Since 1997, Capitol City's assets have grown 202 percent while its deposits have risen 218 percent.

"I think we are more sensitive to community-based businesses, because of [the] role we play in the community," he said. "If there is a need for a gas convenience store, or a pharmacy, or a deli, for the betterment of the community, I feel the need to make that available. That commitment is what separates us from the larger banks."

Andrews said its role as a Small Business Administration-approved lender also has helped. About 90 percent of the bank's growth has been in minority-businesses or churches, he said, and a quarter of those are involved with SBA loans.

The next two minority banks in Georgia in September in terms of size were **Horizon Bank** and **Global Commerce Bank**.

Horizon, of Decatur, had \$84 million in assets and \$75 million in deposits at the end of September, according to the Federal Reserve. Doraville-based Global Commercial had \$79 million in assets and \$69 million in deposits.

"Our group of organizers and investors felt there was a strong need for the bank in the Indo-American community in the DeKalb and Decatur areas," said Chris Burnett, president and CEO of Horizon.

The Indian community is highly entrepreneurial, Burnett said. "We speak the language and understand the cultural nuances of Indian-owned businesses, and how to underwrite the credit and finance side of those businesses." A high percentage of his business customers operate businesses that are either convenience stores, hotels or franchise restaurants.

Minority banks are thriving

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Young said Citizen's growth has been fueled by acquisition. Its first acquisition was of First Southern Bank. In 2000, the bank acquired a minority-owned thrift called Mutual Federal Savings Bank, nationally rose from \$19 billion in 1997 to \$30.3 billion at the end of September. Nationwide, there are 110 minority-controlled banks, including 39 controlled by Asians, 31 controlled by African-Americans and 18 controlled by Hispanics.

The face of Georgia's minority banks also has changed. In 1997, African-Americans controlled all four of the minority banks in the state. Today, four of the seven banks are controlled by other minorities: two are Indian-American, one is Asian-American and one is Hispanic.

Demographic changes to Atlanta's population have played a role in the increase in both the size of deposits and the makeup of ownership of minority banks, said Jeffrey Humphreys, director of the University of Georgia's Selig Center for Economic Growth.

"I think what you're seeing reflects the above-average growth of the buying power of minority groups," said Humphreys, who authors an annual study of the buying power of various minority groups.

"Georgia is the most attractive African-American consumer market in the nation, so it's no surprise they would be a target group, either by minority-owned banks or the mainline banks," he said.

More targeted messages also are going out to Hispanics, who comprise the single fastest-growing ethnic group in Georgia. The Asian population is

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Georgia's minority banks

Minority-owned banks based in Georgia have almost \$800 million in assets.

BANK	ASSETS	DEPOSITS
Citizens Trust Bank	\$225.8 million	\$266.9 million
Quantum National Bank	\$117.7 million	\$36.4 million
Capitol City Bank & Trust Co.	\$91.1 million	\$101.4 million
Horizon Bank	\$5.4 million	\$4.3 million
Global Commerce Bank	\$9.5 million	\$9.4 million
United Americas Bank	\$9.4 million	\$7.9 million
Carver State Bank	\$21.4 million	\$23.5 million
Total	\$648.3 million	\$762.8 million

*As of Sept. 30
Source: Federal Reserve Bank

"Those loans, especially in recent years, have become less desirable to large institutions because they perceived a greater risk in those industries," Burnett said. Since Horizon's board and shareholders are principally involved in those industries, they felt they could better evaluate the loans than the bigger banks. "We don't take more risk," he said. "I think we just understand it better."

Global Commerce has focused its efforts on providing services to its Asian and CEO of the bank. "We have people who speak Chinese, English, Indonesian languages. I can speak a few dialects [of those languages]." About 80 percent of his customers are minorities, he said.

Being able to speak the language goes a long way toward establishing long-term relationships, he said. He gave the example of a Vietnamese customer who needs to get a letter of credit sent to Vietnam. "I will listen to him [and determine] exactly

Indian-owned Quantum National Bank in Suwanee, which had \$136 million in assets and \$118 million in deposits in September, is the second-largest Georgia minority-owned bank, according to the Federal Reserve data.

George Andrews, president and CEO of Capitol City, credits the bank's role in the community with its growth. The bank,

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what he needs. I can decide if we can do the deal, and what we need to see in order to do it."

But if that same customer walks into a mainstream bank, there is some question whether they can talk to him. If they can communicate with him, it would be to tell him they can only assist him by opening an account. Getting a letter of credit for another country requires a trip to the downtown office. "We are a one-stop shop," Tan said.

So far the demand seems strong, despite a weak economy, Tan said. "We are projecting \$90 million total assets for next year and deposits of about \$80 million," he said.

Another Asian-American-owned bank not considered minority-controlled by the Federal Reserve is Summit National Bank. "Summit's board is largely Asian-American but it in no way holds itself out as a bank that caters primarily to Asians, as an excellent community bank with strong international trade capacity."

That also is true of both Quantum and Horizon banks, he said, while Global Commerce focuses on appealing to the ethnic community.

Understanding the language is also key at United Americas Bank of Atlanta, the only Hispanic-owned bank in Georgia, said Jorge L. Forment, the bank's president and CEO.

"All customer-contact people speak Spanish," Forment said. "That's the difference between us and maybe a big bank that has an individual who speaks Spanish, or maybe one or two people. Anyone in the lobby can communicate in Spanish."

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