

# South Florida **Sun-Sentinel**

## Florida banks healthier but still nation's weakest, agency says

By Doreen Hemlock, SunSentinel 10:19 a.m. EDT, September 14, 2011

Banks doing business in Florida are getting healthier but remain the most troubled of any state, according to Coral Gables-based rating agency Bauer Financial.

Bauer gave just 23 percent of the 318 Florida banks it follows a "recommended" rating of four- or five- stars for the second quarter. That's up from nearly 21 percent a quarter earlier. But it still trails the average 62 percent of banks Bauer recommended nationwide for the quarter.

Florida banks have lagged because the state's severe housing slump and job crunch have hit harder on their finances. Many borrowers in Florida can't afford to pay back mortgages and loans. Many banks Bauer recommends in the state have cleaned up problem loans from their books.

That's the case with Miami-based City National Bank of Florida, which Bauer raised into its "recommended" category in the latest review, rating it 4 stars instead of a 3.5 stars a quarter earlier.

City National has benefited from investment by its new owner since 2008, Spain's banking giant Caja Madrid. The Spanish bank pumped in an extra \$100 million last year to help reduce City National's problem real estate loans, buying them or selling them to others in some cases, executives said.

That's helped City National shift its focus from commercial real estate to more diverse business, including lending to small- and mid-size companies. The bank showed \$30 million in profits through August this year. It now can afford to grow beyond its current 26 branches from Orlando to Miami, with Broward and Palm Beach counties a priority for expansion in the next few years, executives said.

"If Caja Madrid had not come in, City National would have had a longer road to navigate," Chief Executive Office Jorge Gonzalez said in an interview Tuesday.

South Florida-based banks that improved their ratings from a quarter earlier include Apollo Bank of Miami, 3.5 stars; Banesco USA of Coral Gables, 4 stars; Coconut Grove Bank of Miami, 3 stars; Community Bank of Broward in Dania Beach, 2 stars; JGB Bank of Miami, 3.5 stars; Northern Trust of Miami, 5 stars; and Total Bank of Miami, 4 stars.

South Florida-based banks whose ratings fell in the latest quarter include Enterprise Bank of Florida in North Palm Beach, 2 stars; Florida Shores Bank-Southeast of Pompano Beach, 3 stars; and Sunstate Bank of Miami, 2 stars.

In the latest review, Bauer rated 40 percent of Florida banks as troubled or problematic, earning two stars or less. That compares with 12 percent that Bauer deemed troubled and problematic nationwide.

Bauer evaluates banks on profits, past-due loans and other factors. Consumers can use the ratings to gauge a bank's health. Deposits at all federally insured banks are guaranteed up to \$250,000 per person per bank.

Last year, Florida had the most bank failures of any state: 29. Nationwide, 157 banks closed, according to the Federal Deposit Insurance Corp. So far this year, 11 banks based in Florida have closed, 71 nationwide, the FDIC said.

To view Bauer Financial's ratings, visit [dhemlock@tribune.com](mailto:dhemlock@tribune.com) or [http://www.bauerfinancial.com/btc\\_ratings.asp](http://www.bauerfinancial.com/btc_ratings.asp).

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