

# For Commerce, 100 LI branches and a brand new name

By **DAVID REICH-HALE**

It's TD Bank, eh?

Six years after Commerce Bancorp entered Long Island with a flourish, the bank's name quickly vanished from the regional landscape, replaced by Toronto-based TD Bank's logo.

Gone are Mr. C, the Commerce mascot, red lollipops and the ubiquitous plastic red C that hundreds of kids on Long Island still use to collect change.

Also gone is Vernon Hill, the outspoken former chief executive who fired shots at rivals from his Cherry Hill, N.J.-based home office before the Commerce board tossed him from the company he created.

But Christopher Giamo, the metro president for New York and Connecticut for TD Bank NA, said TD's acquisition of Commerce Bank means, in time, customers on Long Island will have better products to choose from and more branches to bank at.

Commerce has 35 branches on Long Island and plans to open six more in the next year.

"TD has committed to many more," Giamo said. "They see an opportunity for up to 100 branches on Long Island. It's a lot more than what Commerce had looked at, which was 70 branches."

In fact, Commerce had pitched the idea of a 70-branch network back in 2004. At that time, Commerce predicted it would reach that level within five years. But an inverted yield curve and a rough economy slowed the bank. It also didn't help that available real estate on Long Island is so hard to find.

Now, however, the hunt is back on, Giamo said.



"We're in great financial health, we have no subprime mortgages, no write-downs, we're lending money and we're deploying capital into growth," Giamo said.

One big strategy shift: TD, unlike Commerce, is willing to buy another bank in order to expand its branch network. Commerce never acquired rivals, expanding instead through organic growth. The Commerce network, however, has gaps. For instance, while it had branches filling the New York to Philadelphia corridor, and it had branches in the Washington metro area, there were no branches between the nation's capital and Florida.

Also, Commerce had branches in Fairfield County, Conn., but nowhere else in New England.

"With TD, we now fill all of New England," Giamo said, adding that all the non-Commerce branches have also been rebranded, from TD Banknorth to TD Bank. "But we still have gaps."

Giamo said TD is targeting the entire eastern seaboard.

"We will deploy both organic and ac-

quisition strategies as we expand," Giamo said. "Where we have a strong foundation, my guess is we will push ahead with organic growth. Where we don't have a base, we could put our acquisition dollars to work. I'm not sure, for instance, if it makes sense to open five branches in the Carolinas. I'm not sure what that would accomplish."

Arnold Danielson, chairman of bank consulting firm Danielson Associates in Vienna, Va., said the timing is right for TD.

"This is a \$500 billion asset bank so they have lots of resources," Danielson said. "However, we haven't seen a lot of foreign banks come in and have success with a retail operation. But this could be different because they're taking over an incredibly successful franchise."

Danielson also said, "Large banks are having so many problems that TD can really make inroads. It's not like the bigger banks can implement seven-day banking. They have other worries."

Art Loomis, president of investment bank Northeast Capital in Albany, said TD would be rewarded for expanding through acquisition.

"Anytime there is lots of turmoil, the banks that think differently are the ones that get rewarded," Loomis said. "The only concern I have is the TD name means nothing to people in New York. The Commerce name was an asset. So they have significant work to do with their branding. The expansion strategy, on the other hand, could be very smart."

Separately, Giamo said TD Bank has left open Commerce Bank's 24-hour New Jersey-based call center. And TD will keep the seven-day branch model.

As for the lollipops: Green and purple have replaced red.