

Serving a Community

An Interview with
Joseph Murphy, Jr., President & CEO, Country Bank

EDITORS' NOTE *Joseph Murphy, Jr. has held his current post since 1997. He graduated with an M.S. in Real Estate Finance from New York University and a B.S.B.A. in Hotel Management from University of Denver.*

COMPANY BRIEF *Country Bank is a New York State chartered commercial bank founded in 1988. The bank is owned and operated by the Murphy family and specializes in small business and commercial real estate lending. It recently opened its flagship branch in Manhattan at 655 Third Avenue. The bank has additional branches in Riverdale, Woodlawn, and Scarsdale. Country Bank is an FDIC-insured, full service commercial bank devoted to building relationships with their customers. Country Bank is a regional leader in the commercial real estate lending business. They serve the New York City metro area, New York State, New Jersey, and Connecticut and specialize in personal service, innovative structuring, and fast turnaround.*



Joseph Murphy, Jr.

What does community bank mean and does that provide you with an advantage?

It means we're involved in the communities we serve, and that we know the people, the businesses, and the institutions in those communities as well. A community can be an ethnic community, a geographical community, an educational community, a healthcare community – any number of things.

The real point is that we know our community and our customers – they're not numbers, we know them personally.

You service a broad range of customers. How broad is that market?

It's New York City and Westchester County, so it's a substantial market. We're a tiny bank in the overall scheme of things. Bank of America and Chase are thousands of times larger.

Obviously, we can't do \$100-million loans, but we can do small business banking. Generally, we lend up to about \$10 million and we deal with smaller middle-market type clients.

How important has the growth been for you in the New York City market?

We opened a new branch we refer to as our flagship in Midtown at 42nd on Third Avenue. It really puts us on the map. I like to say we're one of the best kept secrets in banking in New York. Hopefully, that won't be the case for much longer.

Putting the branch up provided a branding and identity opportunity, and it has helped us position the bank for future growth.

Within those community bank competitors that also focus on your markets, is it hard to show differentiation?

The name of our bank speaks volumes about our difference. The name evokes hospitality, friendliness, warmth, service, and care, and it also evokes relationships. That is the big difference. There aren't many banks of our size in Manhattan that do that.

With technology today, are branches as relevant as they used to be and do you still see growth in opening new branches for Country Bank?

Branches are not as important today as they have been in the past. Obviously, electronic banking, deposits, and things of that nature can be done with remote deposit machines, scanners, etc.. Branches for us are a branding opportunity to establish our name.

With your emphasis on personal relationships, is it challenging to retain that with all of the technology available today?

We meet with our clients and talk to them, and we are a commercial bank, so people want to do transactions personally. They have banking needs as they're trying to grow their own businesses and, with Country Bank, they're talking to someone who is running a small bank business. They need that personal interaction when it comes to managing and strategizing how to grow their own businesses. Technology just facilitates transactions.

As you grow, how critical is it that you avoid losing that family culture?

We don't have massive scalability issues that come into play. My family is also actively involved with the bank and they will continue to be.

Does traditional banking still offer great career opportunities and is young talent still coming into banking?

Absolutely. It's a relationship business, a financial business, and a customer business, and there are a lot of technical aspects to it. The big difference is that in a smaller bank, one really gets to see how everything works. In a larger firm, one is a cog in the overall operation.

Country Bank is closely tied to real estate. Is that its core focus?

Yes, we concentrate on small business, commercial real estate, and multi-family commercial lending.

What is your primary focus in leading the bank? How deep do you get into the day to day operations and balance that with strategic planning?

The longer I work at it, the better and more efficient I get. I've been with the bank for about 20 years now, and I've grown to the point where I know how the whole thing works because I had to when it was a one-branch operation.

This experience allows me to manage and focus on what I want to, which is generally building client relationships.

What has made the family dynamic work so well?

We have a lot of skin in the game.

Do you all have different areas of interest?

There is a bit of overlap but each of us tries to focus on our own area.

How important is it that you drive that culture of community engagement throughout the bank?

It's very important – it's what we do. We're here to serve a community. We have to be involved. We have to participate and it's critical.

You mentioned that this bank is one of the better kept secrets in New York. With great clients and people, is it frustrating that gaining awareness is difficult?

We have been happy flying below the radar and we now see a great opportunity in the market, which is why we have decided to open the flagship branch and are promoting ourselves more.

Did you ever question whether you would go into this business?

I didn't have a clue. I was in the real estate business and hotel business, and this was a small investment opportunity that turned into a full-time job. It has worked out pretty well.

Are you surprised to see how strong the real estate market is in New York, and how much opportunity does that give to Country Bank?

There is a lot of opportunity. New York City is the greatest city on the planet. It's an international city and a beachhead for immigration – 40 percent of the people in this city are foreign born. It's the land of opportunity so people come here to try to make lives for themselves and opportunities for their families. We're here to help them. ●