Robert Sarver, chairman and CEO of Western Alliance Bancorporation, talked about how Alliance banked on business in tough times to post record growth.
When the economy began to rebound after the Great Recession of 2008-2009, Alliance Bank of Arizona didn’t have to hit the ground running to get back up to speed—it was already at a full gallop.

In the 11 years since its inception, Alliance has become the largest locally owned and headquartered bank in Arizona—and the seventh largest in total deposits of all banks in the state. It is a division of Phoenix-based Western Alliance Bank, a wholly owned subsidiary of Western Alliance Bancorporation, one of the largest regional bank holding companies in the Southwest.

By Marjorie Rice • Photo by Sam Nalven

...continues on page 20

Alliance Bank Senior Vice President Julian Fruhling and Senior Vice President for Commercial Lending Michael Theile in the Lex Capital building, home to Alliance’s Airpark branch.
That growth came while focusing solely on the needs of commercial clients, says bank President Ed Zito. “We started from scratch,” he says. “Alliance Bank opened its doors on Feb. 3, 2003, with basically $20 million in capital and no loans and deposits. At end of December 2013 we had approximately $2.3 billion in loans and $2.5 billion in deposits in Arizona.

Part of the bank’s success story is that through those 11 years, Alliance focused on responsiveness and execution, he adds. “Even through the Great Recession we continued lending. I like to say that we never left the market. How did we do that? Number one, we cater to small and midsize businesses such as those in the Greater Airpark area, and we do commercial real estate loans of all types, sizes, shapes and categories.”

At the beginning of the recession, Alliance Bank’s parent company raised more than half a billion dollars in capital. “We went to the public markets and the private markets,” Zito says. “Our story is very compelling, and the market basically invested in that story. That capital allowed us to bring in deposits, which in turn allowed us to continue to lend.”

Alliance is one of the few banks of its size in the country that had loan growth in 2009, according to Zito. That lending has continued to increase every year. “Most people think of the end of 2008 and the beginning of 2009 as the trough of the recession. Since 2009, we have had over $1 billion in net loan growth in Arizona. There are very few banks in the country [of comparable size] that can make that...continues on page 22
SIP THE FINEST MARGARITA

Experience the modern side of Mexican cuisine
Taste guacamole made fresh at your table
Savor fresh seafood and steaks with authentic sauces

GILBERT  SanTan Village  480.782.6777
SCOTTSDALE  Promenade Center  480.951.3807

CELEBRATE CINCO DE MAYO!  cantinalaredo.com

Get Your FREE Energy Audit!

Top 3 Reasons
• Energy Savings & Rebates (Save 30-75%)
• Short-Term ROI
• Reduced Maintenance Cost

ILD has certified lighting technicians & licensed electricians for all your needs including remodeling and TI work.

15855 North Greenway-Hayden Loop, Suite 130
Scottsdale, AZ 85260 • 480-513-2099 • LightingAZ.com

…continued from page 20

The business community has rewarded Alliance with greater market share, says Western Alliance Bancorporation Chairman and CEO Robert Sarver. “The way you put a bank in a position to succeed is you make sure you have a strong balance sheet with plenty of capital and plenty of liquidity, and you don’t get caught up in the cyclical trap of banking where you’re too aggressive at the top of the market and too conservative at the bottom of the market.”

Sarver notes that it’s better to buy when everyone is selling, and sell when everyone is buying.

“Banks tend to be nervous in a bad economy about making loans, but when you step back and think about it, it’s the safest time to be making loans, because you have the most insight into the quality of management of the company you’re loaning money to,” he says. “If that company can navigate through really tough times, then that really shows you how strong the company is.”

In its short history in the state, Alliance has made a big impression, providing tens of millions in funding for ASU’s SkySong 3, the newest building in ASU’s Scottsdale Innovation Center; CityScape in downtown Phoenix; Scottsdale’s Hilton Village Shopping Center; and the Borgata in Scottsdale.

In July 2013, Alliance opened its newest location in the Scottsdale Airpark, and the bank plans to complete construction on a new 25,000-square-foot banking and lending center in Chandler later this summer.

The company’s business model focuses on organic growth. “We’ve made a few acquisitions but our main business model centers around strong organic growth by
recruiting good bankers and good customers and providing them with a high level of service,” Sarver says.

“We plan on continuing that model. Arizona’s been the second-fastest growing state in the country for the last 50 years and is projected to [maintain that pace] for the next 50 years. I don’t see that changing. We think we’ve got a dynamic growing bank along with a dynamic growing state and, when we put those two together, it will continue to fuel the growth of the company.”

Alliance Bank also has branched out to serve specialized lines of business including franchise quick-serve restaurants and public entities. “We enjoy relationships with the state of Arizona and many of the municipalities in the Greater Phoenix area, including, we are proud to say, a very meaningful relationship with the city of Scottsdale,” says Sarver.

Export-Import Bank

The bank’s newest innovation is expanding its services to Arizona export businesses. Alliance Vice President Mark Roberts says the opportunity arose when he spoke with a representative of the Export-Import Bank of the United States (Ex-Im Bank), the nation’s official export credit agency. Roberts learned that most Arizona exporters who worked with Ex-Im were financed by California banks.

“There were no community banks in Arizona that actively pursued this lending or provided solutions for those small-business owners’ problems,” he says. “There was a tremendous opportunity to get ahead of the curve on export financing.”

Alliance has a long history of being an SBA-preferred lender and had the expertise to administer a government guarantee program like that offered by the Ex-Im Bank, Roberts says. “We realized we could learn the SBA export program, then become a ‘delegated authority lender’ through the Ex-Im’s program. We received final approval from Ex-Im at the end of 2013. We believe that makes us unique in Arizona in providing the full range of solutions for small and middle-market businesses through Ex-Im and SBA export financing programs.”

Roberts worked with Mesa Community College and the District Export Council to produce a free “Exporter’s Toolkit.” The Toolkit is a compilation of information...continues on page 24
tion from local experts in international trade who contributed to an audio program detailing the ins and outs of exporting for Arizona businesses. The Toolkit was recorded in CD format. To request a copy, contact Alliance Bank of Arizona or the Arizona District Export Council.

Alliance’s nimble management style made the export initiative and other innovations possible, Roberts says, adding that one of the benefits of working at Alliance is the management’s entrepreneurial mentality.

“We’re very actively involved in our communities, and looking for opportunities to solve problems and fit ourselves into that niche,” Roberts says. “This is the kind of thinking that has led to the dynamic growth of the company over the last 11 years...We have our ear to the ground to know where the cities and the businesses of Arizona are heading.”

Airpark: ‘What’s Not to Like?’

One place businesses are heading is the Scottsdale Airpark, observes Alliance Senior Vice President Julian Fruhling. A banker with deep roots in Scottsdale, Fruhling manages Alliance’s Airpark office.

“Prior to the downturn, many of the Airpark businesses were residential real estate oriented, and when the recession hit, many of those businesses were gone,” he says. “We had a 30 percent vacancy level in office and manufacturing buildings here. Those are filling up, and we’re under 20 percent vacancy now. What’s happened is the base rent has gone down and that makes it more affordable. It’s a natural incentive for companies to locate here.”

A private pilot himself, Fruhling says he loves working at the airport. “I’ve been in this market for 20 years. Alliance is a

Alliance is a business bank, and we want to be right in the middle of this growing area. If businesses have a choice, they’re going to locate here [in the Airpark], because what’s not to like?

— Julian Fruhling, Alliance Bank senior vice president
business bank, and we want to be right in the middle of this growing area. If businesses have a choice, they’re going to locate here, because what’s not to like?”

With 20 percent vacancy in Airpark commercial real estate, there’s room to grow, through renovation of older buildings as well as new construction, Fruhling says. He sees much of the growth in financial industry businesses such as real estate investment trusts, and in healthcare businesses.

“There’s no doubt that the Airpark is going to continue to develop,” he says. “Today, we’re sitting here with 53,000 employees—the second-largest employment base in the state after the downtown central Phoenix corridor. We’ll be able to help facilitate these businesses as we continue to evolve. That’s our objective.”

Another important objective for Alliance is community action. “Investing in our communities is part of our DNA at Alliance,” says Fruhling, a former chairman of the Scottsdale Healthcare board and past president of Scottsdale Rotary. “That’s why we’re a sponsor of the Scottsdale Business Forum and support many local nonprofits.”

Fruhling says his optimism is based on experience gained through economic ups and downs. “When things are dark, the fear factor is very high,” he says. “But you have to have the courage to understand that these are cycles and you will get through it. As a business bank, we know that it’s our job to help businesses get through it. By having that approach, Alliance came out of the recession with momentum. That momentum has allowed us to open the office here in Scottsdale and the one that’s coming up in Chandler.”

And it’s that commitment to the business community that gave Alliance wings during a period when other lending institutions floundered, Fruhling adds. “It’s the reason I’m with these guys. I consider it a privilege to be with them. I witnessed on the outside looking in that they did not stop, and that’s when we needed it most in Arizona.”

Alliance Bank of Arizona
15100 N. 78th Way, Suite 101, Scottsdale
480-905-4460
Alliancebankofarizona.com
"The bank’s responsiveness and accessibility have been the key ingredients in making our aggressive expansion plans happen. As a result, we purchased a new headquarters building and opened eight new locations, hiring 400 employees." — Joe Ciolli, Owner, Grimaldi’s Pizzeria
It’s a recipe for growth, no matter what’s on your plate.

Like many Scottsdale businesses, Grimaldi’s Pizzeria has an appetite for growth. When owner Joe Ciolli wanted to expand his restaurant nationally, he relied on the strategic expertise of a bank that shares his passion for hard work and forward thinking.

Alliance Bank knows that when it comes to opportunity, timing is everything. And no bank is better poised to act quickly and think strategically than the state’s largest locally-owned and headquartered bank. Put Alliance to the test today. Call us to have one of our decision-makers in your office this week.

Call Julian Fruhling, SVP/Regional Manager, at 480.905.4460, or visit our new North Scottsdale Office.

Alliance Bank of Arizona

AllianceBankofArizona.com