



## Woodforest Sets Wal-Mart Ohio Openings

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*By Marissa Fajt*

Woodforest National Bank in Texas will ride Wal-Mart's coattails into 70 Ohio stores beginning next month.

The \$1.8 billion-asset bank, which has 168 branches in Wal-Mart stores in three states, plans to open 15 or 16 branches inside Ohio Wal-Marts this year and add dozens more over the next three years, said Julie Mayrant, the executive vice president of retail banking. The first three branches are set to open Aug. 16.

"We are very eager to get started and excited about the opportunity to provide a different strategy of banking that has been very well received outside our home state in Virginia and North Carolina," Ms. Mayrant said. "We anticipate being well received in Ohio, too."

The unit of Woodforest Financial Group Inc. in The Woodlands opened its first out-of-state branch in a North Carolina Wal-Mart in April 2005 and now has nearly 50 Wal-Mart branches in North Carolina and Virginia. All but 32 of its 175 Texas branches are in stores, including some grocery stores.

"We consider the Wal-Mart store as our lobby," Ms. Mayrant said. "There are thousands of potential customers walking inside Wal-Mart and our strategy is to make those shoppers Woodforest customers."

Woodforest also plans to begin using El Banco Financial Corp.'s check-cashing service, Conexion El Banco, in all of its Wal-Mart branches.

"What we are trying to do, and I think check cashing will help us do this, is find the underbanked consumer at whatever stage they are," Ms. Mayrant said. "We know that a lot of underbanked folks have to have a place to cash their checks, and we believe the El Banco platform is a great way to attract that consumer. After we earn their trust, we have a wide array of checking products for anybody."

Luz Urrutia, the president and chief operating officer of El Banco, of Roswell, Ga., said this will be the firm's first operation in a Wal-Mart.

The check-cashing platform is a good fit for Woodforest, she said, because many Wal-Mart customers are unbanked or underbanked. "This helps them serve the needs of a client they are already serving," she said.

El Banco developed a data processing platform that runs each check through a set of criteria to determine if it should be cashed by a teller. If it does not meet enough of the criteria, the teller contacts an underwriter at El Banco's centralized risk management, and the underwriter decides whether the teller can cash it.

Woodforest tested El Banco's system in branches around San Antonio and Austin last year. The bank said it tried several platforms, but picked El Banco's because it got the most checks cashed with the least amount of chargeoffs.

Aside from the Ohio branches, Woodforest plans to open seven more in Texas, nine more in North Carolina, and 10 more in Virginia this year, which will bring it a total of 70 new branches in 2006, she said.

Woodforest is so closely aligned with Wal-Mart Stores Inc. that it has adopted some of the Bentonville, Ark., retail giant's business practices. Its branches are open seven days a week and it recently announced that it would include services for the unbanked, particularly Hispanics, in all of its Wal-Mart locations. (c) 2006 American Banker and SourceMedia, Inc. All rights reserved. <http://www.americanbanker.com>

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