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Why this Rocky Mount bank wants a bigger piece of Raleigh

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TIMOTHY MAINIERO
First Carolina Bank is eyeing Raleigh.

Nearly six years after being acquired by local investors, Rocky Mount-based First Carolina Bank is targeting big banks in Raleigh – on a mission to grab their market share.

The bank, founded in 2000, was in “near failure” when it was acquired in July of 2012 by **Ron Day** and a group of Rocky Mount investors.

But no longer, says Day, CEO.

Its 2012 Rocky Mount deposit market share of 2.5 percent had grown to more than 9.9 percent in June of 2017, according to the FDIC.

And, currently at \$407 million in assets, it could soon be Rocky Mount’s top community bank, Day predicts. “We are growing our deposit market share exponentially at the expense of the larger players,” Day says.

Now, it’s tackling the Triangle, trying to do the same thing in a market that, thanks to consolidation, has seen a slew of new entrants over the past two years.

First Carolina has had a Raleigh presence since its loan production office opened on Glenwood Avenue in June of 2015. A full service branch followed, opening in the same building last July.

Now, Day says, it's time to "execute." And consolidation – which has brought out-of-state players such as FNB Corp. and Pinnacle Financial to Raleigh – has already been to First Carolina's benefit, he says.

"Raleigh is an extremely dynamic market and there's a lot to go around for all of the competitors, so you can hear the drumbeat of those who say they make things easier, but the reality is, they can't make it as easy as we can because our decision-making sits right here," he says.

It's a statement he says applies to both employees and customers. In some acquisitions, local bankers see the decision-making powers moved out-of-market. And First Carolina is among those recruiting bankers uncomfortable with that new hierarchy, he says.

It's also recruiting new customers, worried about loan decisions being made by bankers states away.

"The larger the transaction goes, the more complicated it goes," he says. "I know that to be true because I know what customers tell us when we're able to turn something around quickly."

But consolidation does bring with it advantages to the competition. When a bigger institution acquires a local bank, it means a larger wallet – one that can invest in in-house technologies that can help a bank differentiate its services. Day admits First Carolina doesn't have the budget to funnel cash into the hottest new innovations in the sector, though it does pay close attention to the fintech space. With technology "as good as anybody else[s]," Day says he concentrates on services – not flash.

"I don't believe we have to be overly fancy," he says. "[Customers] want things made easy. They want responsiveness in what they ask for in the bank, and I don't think there's anyone who does it better."

In the meantime, the bank is trying to make its pursuit of Raleigh customers as public as possible, recently tapping former Crescent State Bank Chairman **Jim Lucas** for a seat on its board. The plan is to leverage Lucas' connections to win more customers, Day says.

"It just seemed natural to have a board member who has community bank experience and contacts in the Raleigh, Triangle market," he says.

The bank has the capability to do big deals – up to business loans of between \$6 million and \$6.5 million – all it needs is the connections, he says.

And armed with a "patient investor group that does not include institutional equity," it's not seeking a buyout. Nor is it actively seeking buys of its own.

"Our focus is just on executing very well, and options make themselves available when you do that," he says.



Lauren K. Ohnesorge
Senior Staff Writer
Triangle Business Journal