

From the Triangle Business Journal:

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Rocky Mount bank to open first full-service branch in Raleigh

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As of the end of June, loans and customer deposits at First Carolina totaled \$155.5 million and \$237.4 million, respectively.

As out-of-state banks continue to buy Triangle market share through acquisitions, a Rocky Mount-based community bank is betting big on Raleigh.

First Carolina Bank, based in Rocky Mount, is opening its first full-service branch on Glenwood Avenue.

The bank, which already has a 2-year-old loan production office in Raleigh in addition to full-service branches in Rocky Mount and Reidsville, had zero deposit market share last year in the Raleigh metro, according to the FDIC. In its home turf of Rocky Mount, however, First Carolina had 6.2 percent of the deposits, ranking it sixth in the metro according to FDIC numbers.

Ron Day, the Raleigh-based CEO of First Carolina, says the decision to open a branch at its loan office location was easy.

“At this point, Raleigh is such a great market, frankly,” he says, pointing to the “disruption” caused by recent bank buys as an opportunity. “The customers here are still looking for people who are decision makers, folks who can take these things from start to finish, and that benefits our model.”

Recently, a string of out-of-state banks have announced buys of community institutions in the Triangle, such as United Community Banks’ **pending acquisition of Four Oaks Bank**. And that means recruitment opportunities for banks such as First Carolina, Day says.

“The bankers who are working at those companies ... went to those places because they wanted empowerment and the ability to make decisions,” he says. “Now, suddenly, they’re going to be faced with dealing with someone out of state to make things happen for their customers, and we represent an alternative right now.”

The bank, which recently passed \$264 million in assets, has high hopes for the Triangle region, he says.

“I expect we’ll be pushing toward \$300 million before the end of the third quarter,” he says. “Without acquisitions ... I could see us going to \$400 [million] and \$500 [million] with the number of offices we currently have.”

The goal is to deploy “word of mouth and execution” in driving market share locally. The bank has 263 shareholders “and we know them all really well,” he says. Shareholders, many successful business people in their own right, also serve as customers and advocates of the bank, he says. And that attracts new customers.

But the Raleigh branch isn’t the only change at First Carolina. Last September, the bank closed its Greenville office. “We were more focused on the Raleigh market and we didn’t feel like we had enough footing in Greenville,” Day says.

Last year, the bank closed on a nearly \$9 million private placement of stock to support its growth. Day says the bank may be raising cash through another private placement later this year.

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The bank lends borrowers up to \$4 million, handling deals larger than that limit by partnering with other banks.

The new Raleigh branch opens July 17.



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