

BANKING & FINANCE

Banks Marked Year of Expansion, Mergers

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Mergers and acquisitions activity in the banking industry continues to change the local landscape in the Wilmington-area market. (Photos by Jenny Callison)

While it's true that Live Oak Bancshares, its new joint venture Apiture and banking software company nCino dominated banking news in Wilmington last year, there were plenty of other changes to the finance sector in this market in 2017. Here is a brief recap:

In March, Pittsburgh, Pennsylvania- based **FNB CORP.** completed its \$1.4 billion merger with **YADKIN BANK**, changing the systems and signage for seven Yadkin branches in the Wilmington market. By acquiring Raleigh-based Yadkin Bank FNB gained Yadkin's roughly \$7.5 billion in total assets, \$5.3 billion in total deposits, \$5.4 billion in total loans and 100 banking offices located in North and South Carolina, according to a release.

With the acquisition of Yadkin, FNB has nearly \$30 billion in total assets, roughly \$21 billion in deposits and \$20 billion in total loans, according to a news release. The bank operates more than 400 full-service banking offices in eight states.

September saw the entry of a young North Carolina-chartered bank into the Wilmington market. Rocky Mount-based **FIRST CAROLINA BANK** opened a loan production office at 6740 Rock Spring Road, Suite 230, in The Offices at Mayfaire IV. The bank chose local banker David Rizzo to lead its lending activities here.

The bank also added area businessman Chad Paul to its corporate board. Paul, a founding director and organizer of the legacy Port City Capital Bank in Wilmington, is CEO of Bald Head Island Ltd. and a partner with Harbor Island Equity Partners. He has served on several North Carolina bank boards.

First Carolina was chartered in 2012 and sank its roots in Rocky Mount before expanding into Raleigh in 2015. Bank officials anticipate opening a full-service branch in Wilmington within the next couple of years.

On Dec. 1, **SOUTH STATE CORP.**, parent of South State Bank, announced the completion of its merger with **PARK STERLING CORP.** The transaction will bring to six the number of South State locations in the Wilmington market and will increase Columbia, South Carolina-based South State Corp.'s assets to more than \$14 billion, according to the company's news release.

As a result of the merger, South State has gained 53 Park Sterling locations: five in Georgia, 23 in South Carolina, 17 in North Carolina – states in which South State had operations – and eight in Virginia.

South State anticipates that the system conversion and transition of Park Sterling branch signage will occur the weekend of April 20-22, the release stated.

David Parker, former eastern North Carolina regional executive for Park Sterling, will become South State Bank's regional president.

The merger of Carolina Financial Corp, parent of **CRESCOM BANK**, and **FIRST SOUTH BANK** closed officially Nov. 1. Plans for the merger were announced in June. System conversion is expected to happen in mid-March, according to Marshall Cooper, CresCom's senior vice president and Wilmington area executive.

Charleston, South Carolina-based CresCom, which already has two branch offices in Wilmington, will retain First South Bank's existing location at 1612 Military Cutoff Road, according to Jerry Rexroad, CEO of Carolina Financial Corp., CresCom's parent holding company.

On a larger scale, the transaction will expand CresCom's footprint into the Raleigh and Durham markets, one of the bank's major goals, Rexroad said. Washington, North Carolina-based First South operates 28 locations in North Carolina and has been in business for more than 100 years. The combined entity will have about \$3.2 billion in assets and, according to Rexroad, will be North Carolina's second-largest community bank.

The deal is valued at nearly \$190 million, according to officials.

Twenty months after opening a branch in Leland, its first foray into the Wilmington market, **SELECT BANK & TRUST** expanded into Wilmington proper. Select's new

branch, which opened Oct. 4, is at 1001 Military Cutoff Road, Suite 100. Kimberly Graham is the branch manager.

“Opening a full-service Wilmington branch is a significant milestone for our bank,” W. Keith Betts, executive vice president and chief banking officer, said in a release. “We have developed a solid customer base in Brunswick and New Hanover counties with our branch in Leland, which led us to establishing this location in Wilmington. The additional branch will provide added convenience for many of our customers, and we believe this location offers significant business opportunities.”

Soon after announcing plans last summer to expand into Wilmington, the Dunn, North Carolina-based bank also announced the signing of a definitive merger agreement with Charlotte-based **PREMARA FINANCIAL INC.**

That merger, if completed, would create a combined entity with 18 branches across North Carolina and South Carolina and projected assets of \$1.1 billion, according to a release from Select Bank.

SOUND BANK was part of merger this past summer but remains its own company under the umbrella of **WEST TOWN BANCORP INC.** of Raleigh.

West Town Bancorp will operate as a multi-bank holding company with Sound Bank and West Town Bank & Trust as separately chartered, wholly owned subsidiaries, according to the news release. Eric Bergevin, CEO and president of the holding company, also heads West Town Bank & Trust.

The newly merged entity has consolidated assets of about \$500 million as of the closing date, according to a news release.

While West Town Bancorp does operate a retail bank with two branches in the Chicago area as well as one in Edenton and one in Greenville, the majority of its revenues come from its mortgage, insurance and SBA lending units. Combine those with Sound Bank’s network that generates deposits and consumer loans, and you have a full-service bank, said Mark Johnson, the bank’s area executive.

On July 7, **THE LITTLE BANK** completed its acquisition of **UNION BANK**, headquartered in Oxford, North Carolina. The new entity, now known as Union Bank, has 15 offices in eastern North Carolina and the Triangle with total assets of \$700 million as of the closing date, according to a news release from the company.

“Excluding commercial banks with assets greater than \$25 billion and mutual thrifts, Union Bank will be the 10th-largest FDIC-insured commercial community bank headquartered in North Carolina,” the release stated.

Since its entry into the Wilmington market, the little bank operated here as a loan production office. With the merger, however, came some deposits, although the majority of activity in the Wilmington office is still on the lending side, according to market executive Jon Joyner.