

BANKING & FINANCE

New Bank Enters Wilmington Market

BY JENNY CALLISON, POSTED OCT 6, 2017



A young North Carolina-chartered bank has entered the Wilmington market with a loan production office.

On Sept. 11, Rocky Mount-based First Carolina Bank opened its office at 6740 Rock Spring Road, Suite 230, in the Offices at Mayfaire IV. The bank has tapped local banker David Rizzo, left, to head up its lending activities here.

“My charge is to generate a bunch of really good business loans to really sound customers, deal with new customers and grow our loan books,” Rizzo said.

Before joining First Carolina in August, Rizzo was a commercial banker with FNB, which merged with Yadkin Bank earlier this year. Before that, he spent five years as senior vice president with Park Sterling Bank in Wilmington.

“David is a very experienced banker; he understands our model. We are expecting great things from him,” said First Carolina president and CEO Ron Day.

The bank has also added area businessman Chad Paul to its corporate board, Day said, adding that Paul will work with Rizzo to develop lending opportunities in the local market.

Paul, a founding director and organizer of the legacy Port City Capital Bank in Wilmington, has served on several North Carolina bank boards, Day pointed out.

The CEO of Bald Head Island Limited and a partner with Harbor Island Equity Partners, which he co-founded, will work closely with Rizzo on business development.

First Carolina, chartered in 2012, has drawn about 80 percent of its \$30 million in capital from investors in its home of Rocky Mount, according to Day. The bank has garnered investment from some individuals in the Wilmington area as well.

“We are completely capitalized by local investors – we have no institutional private equity – who like the banking business and are not in it for a quick dollar. I think the funds are there to be a successful community bank and provide services to customers and prospects,” he said.

Since 2014, the company has grown more than 30 percent each year and has achieved 60 percent annualized growth thus far this year, Day said. “It’s all organic growth. We’re the fastest-growing state-chartered bank in North Carolina right now,” he said.

According to Day, First Carolina had \$205 million in assets at the end of 2016. As of July 31, assets had grown to almost \$280 million. He anticipates the bank exceeding \$300 million in assets in the second half of this year.

In June 2015, First Carolina opened a loan production office in Raleigh, which has generated \$50 million in loans to date, Day said. This July, the bank added a full-service branch and in two months has garnered \$15 million in deposits. Day does not think that First Carolina will have to wait two years to open a full-service branch in Wilmington.

Despite the presence of numerous other banks in the market, Day believes that First Carolina can distinguish itself here as a North Carolina- chartered community bank.

He noted the “tremendous amount” of bank consolidation within the state because, he said, “big banks are in a race to get as big as possible. At the end of the year, there will be 36 or 37 state-chartered banks. Before the recession there were over 100.”

Because it formed post-Great Recession, First Carolina was built for the current regulatory environment, Day said.

“We embrace the new regulations, he said. “We’re very used to a continuous audit environment, and we work well with auditors. We don’t lament about the [regulations] daily. There is a fair amount of them that make sense and are necessary to avoid the situation of 10 years ago.”

First Carolina chose the Mayfaire area for its loan production office because Day regards it as a center of business activity. The future branch will likely locate in the same spot, but will emphasize mobile banking tools and even mobile bank personnel to give customers plenty of options, he said.

“We are willing to meet people where they are, such as in their office,” he said. “We are entering the golden age of community banking in North Carolina. You can be successful if you have good management, a good board and a good business model. There are multiple ways to be successful in a vibrant market, and Wilmington is a vibrant market.”