

From the Triangle Business Journal:

<https://www.bizjournals.com/triangle/news/2020/12/17/first-carolina-bank-raleigh-ron-davis.html>

First Carolina closes on \$31.4M placement to fund growth, CEO says

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Fresh off of its headquarters move from Rocky Mount to Raleigh, First Carolina Financial Services has closed on a \$31.4 million private placement that involved nearly 1.6 million shares.

CEO Ron Day said to expect growth as a result of the raise – particularly in the Triangle, where First Carolina Bank has been trying to grab up market share.

“We can probably grow our size by another 50 percent – we can grow to a billion and a half with our current earnings pace and the capital we just raised,” Day said this week. “We see doing the same things we’ve been doing with the money and we’re already deploying it.”

As it was preparing to open its new full service branches in Wilmington and Cary, the bank saw the need for additional capital, Day said. “We had a lot of our existing shareholders who were asking us about it,” he said.

So the team executed, securing capital from more than 200 individual investors. Half were existing backers of First Carolina, he said.

“I think everybody is always looking for a good investment opportunity – in particular when it’s local,” Day said. “With everything that’s gone on this year, local has mattered.”

Day said the bank, once again, was able to raise the capital without seeking out institutional investment. That’s given the board a certain amount of freedom in how the bank grows. Thus far, First Carolina’s growth has been organic, existing outside of acquisitions.



FIRST CAROLINA

First Carolina Bank's new signage at its Glenwood Avenue offices.

“Those opportunities may always be out there for us, and we’ll be opportunistic about that,” Day said.

The bank’s 2020 success comes down to one thing: focus.

“We have been very focused from the board on down, executing every day,” Day said. “And what has happened is the pandemic has opened a lot of doors for us that we didn’t anticipate because others were focused elsewhere or dealing with things internally. We had a lot of customers and we opened a lot of new markets where people were really open to a bank like ours.”

Next up? Opening a full service branch in Virginia beach, planned for next year.

In the meantime, like banks across the region, First Carolina is responding to the pandemic. The bank only has a few remaining loan deferrals, he said. And it’s optimistic about 2021.

“Nobody knew what was going to happen,” Day said. “I think the strength of the people we deal with has been evident through it all. We have a lot of confidence about what’s going to happen in 2021 with interest rates remaining low.”

The bank, which recently crossed the \$1 billion threshold, is also growing its Raleigh operation. The firm takes over another floor in its Glenwood Avenue building in January.

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