

VantageSouth acquires East Carolina Bank

By William F. West
© The Daily Advance
Monday, April 1, 2013

Ninety-three-year-old East Carolina Bank became part of VantageSouth Bank in a \$41 million merger deal completed on Monday.

As a result of the deal, Cary-based VantageSouth will have approximately \$2 billion in assets and 45 locations, making it the state's top community bank east of Raleigh, Terry Earley, the bank's chief financial officer, said Monday.

By the end of this month, ECB branches, including those in Currituck and Hertford, along with a loan services office in Elizabeth City, will bear the VantageSouth name.

VantageSouth had about 250 employees and had been operating as Crescent State Bank, Earley said. Crescent State decided to re-brand late last year after merging with VantageSouth, which then was based in Burlington.

Earley said he and VantageSouth Chief Executive Officer Scott Custer are familiar with the eastern North Carolina market because they previously worked for what had been RBC Bank.

"We know the Outer Banks. We know Greenville. We know Elizabeth City," Earley said.

Earley praised Hyde County-based ECB, saying, "It's a 93-year-old company with deep roots in eastern North Carolina and a very strong balance and core deposit book."

ECB was founded in 1920. According to its website, ECB had 25 locations and, at the end of 2011, at least 230 full-time employees.

Asked Monday what will happen to ECB employees, Earley said there will be some displacements but he did not have specific numbers.

He said the merged company's priority will be having the best person for the job, regardless of which firm — ECB or VantageSouth — an employee worked for.

Overall, he sees few changes to the bank's work force at current ECB locations.

"We're going to consolidate the work in lot of places," he said.

Asked what will happen to ECB's executive structure, Earley said, "There's been some folks who have resigned and who have taken jobs in other places."

However, "most of the (bank's) key people are still with us," he said.

Earley said those key officials include ECB Bancorp Chief Executive Officer Dwight Utz and vice presidents Tom Crowder and Olin Davis.

Asked about reports in The News & Observer of Raleigh that a VantageSouth-ECB merger was resisted by some ECB shareholders because of the deal's terms, Earley noted that a majority of ECB shareholders approved the deal at a meeting in Washington, N.C., on March 20.

"Our job now, since we've closed on this transaction, is to go run the bank to the best of our ability," Earley said.

Earley said the merger's plans call for at least three members of the former ECB board of directors to join VantageSouth's board of directors.

He added that VantageSouth wants to have a regional advisory board in eastern North Carolina.

The transaction continues a trend in banking changes in the Albemarle area in recent years.

Bank of Hampton Roads merged with Gateway Bank and Trust at the end of 2008, TowneBank acquired Bank of Currituck in 2010 and PNC acquired RBC in 2011.

Also, Wells Fargo, after having merged with Wachovia in 2008, re-branded Elizabeth City's Wachovia's locations in 2011.