

# Local banks hunkered down to weather difficult economy

BY JENNIFER MENSTER

Being a banker is no walk in the park. Fifteen banks have closed in Georgia so far this year, according to the FDIC, while only The Bank of Asheville closed in North Carolina.

Community banks based in the Golden Crescent region of North Carolina — roughly the same footprint as the motorsports industry — seem to be weathering the storm and even growing.

"Banks pretty much reflect the state of the economy, which right now is slow growth," said Dr. Harry M. Davis, economist for the North Carolina Bankers Association and professor of banking at Appalachian State University. "We are in an economic recovery but it's a slow recovery, and the banking industry goes hand-in-hand with the economy."

Cornelius-based Aquesta Bank has just opened its fourth branch off Brawley School Road in Mooresville, and it plans to open a fifth branch in Huntersville later this year.

Jim Engel, CEO, said Lake Norman seems to be a bright spot in the economy, with projects like Langtree at the Lake coming back to life as well as the ABB plant getting under way in Huntersville.

Banking is profitable at blueharbor bank (lower-cased on purpose for a contemporary twist). The bank raised \$21 million capital in 2007 and opened its doors in January 2008. The main branch is located on Corporate Drive in Mooresville, with a second branch on Highway 21 in Huntersville just north of Gilead Road.

"We want to be in the lake area; there's a lot of growth opportunity here," Jim Marshall, CEO, said. "When the economy rebounds, we are poised in position to take advantage of that."

He didn't anticipate the slow pace of this recovery but blueharbor is hunkered down and weathering the storm.

"We are watching our expenses and being efficient while continuing to give customers the best service we can that they expect and deserve,"

Marshall said. He has shunned brick and mortar expansion, focusing instead on online services.

Three-fourths of its consumer base banks via internet, so Marshall decided to invest more on online services.

"The convenience of branches is not what it used to be," Marshall said. "We get more online traffic than foot traffic."

The bank offers a "Neon Blue" checking account for online customers that provides free online banking, free online bill pay and a free check card with no minimum balance and no monthly maintenance fee.

blueharbor also will soon roll out an online account opportunity for new customers to go online, open a checking account and fund it without setting foot in the bank, Marshall said. It's similar to technology used by global financial institutions like ING and Bank of America.

"It'll help us compete in the electronic world," Marshall said.

Concord-based Cabarrus Bank & Trust tries to stay close to home by promoting local businesses. Horton said

business has slowed in the economic downturn, but its focus on relationship banking has helped offset some of the effects. Cabarrus Bank & Trust created a website, 2shoplocal.com, which lists local merchants supporting the vision ranging from hair salons to florists to funeral homes.

"While the current economic environment has been challenging, we have fared well compared to our peers," Horton said. "The support from the communities in the form of deposits, loans and investments allow us to invest back into the community to help create a brighter future for everyone."

"Community banks are holding their own and doing pretty well," Davis said. "They need a strong, growing economy — that's the No. 1 thing they need to see an increase in revenue."



MARSHALL



ENGEL



HORTON