

New Banks on the Block

Blending High Touch with High Tech



▲ The opening of Loyal Trust Bank in Johns Creek

Community banking is alive and well in Georgia. In recent months, two de novo banks opened in Georgia for the first time in over a decade, another bank is in organization, and others are moving into the state.

CBA is pleased to feature four "New Banks on the Block," who share their business strategies, target markets and how they meet the specific needs of the customers they serve. You will see these banks are very similar yet totally unique at the same time.

Thank you to the following CBA member banks and CEOs for taking time to visit with us for this article. **Charlie Brown**, President & CEO, **Loyal Trust Bank**, Johns Creek; **Charlie Crawford**, Chairman & CEO, **Hyperion Bank**, Atlanta; **Charles DeWitt**, Chairman & CEO, **Tandem Bank**; and **Ross Mynatt**, Proposed CEO, **Craft Bank I.O.**, Atlanta.

What was the driving motivation to start a new community bank in Georgia or enter the Georgia market?

"The continued growth in the Atlanta market, the number of companies moving in, the dearth of community

banks that are headquartered inside the Perimeter, and Truist, the Sun Trust-BB&T merger, is going to create market opportunities," explained Mr. Mynatt.

Mr. Brown shared that a lack of any community bank headquartered in Johns Creek, and the growing Asian American population were reasons for Loyal Trust Bank to start a new bank.

"We believe, due to the recent consolidation, there was a void in local, community minded banks. Part of our philosophy is that people desire relationships, which is where a community bank shines. The larger the bank, the more impersonal and rigid - they are built for the purpose of serving as many people possible," shared Mr. DeWitt. "That's not what interests us. We think there's greater value in close personal relationships, flexibility to make common sense lending decisions, and customizing services to meet the needs of a carefully selected community."

About entering the Georgia market, Mr. Crawford explained, "I have roots here, having been in banking in Atlanta for 30 years, including having been part of

three community bank startups, most recently Private Bank of Buckhead. With that history comes familiarity with a lot of top-flight banking talent experienced in the kind of fanatical customer service I espouse. I joined Hyperion in Philadelphia in August 2017, eventually leading an \$18.3 million capital raise, much of that coming from the Atlanta market. So, we have a natural customer base in Atlanta, as many of our investors from here have encouraged us to bring Hyperion to Atlanta."

Bringing an established community bank like Hyperion to a new market – Atlanta – provides the best of both worlds, as we're up and running but also can foster exactly the kind of bank our natural customer base has asked for. I would also add that, anytime there are shifts in the market – this time, in part, due to M&A activity – it's a good time to look at evolving a bank's presence or establishing a new one. I like to think of Hyperion's expansion into the Atlanta market as the best of both of those worlds."

What's in a Name?

Starting a bank is an arduous process, but selecting the right name apparently is no easy task. "The name Loyal Trust Bank is credited to the board of directors that looked at over 100 names presented by me and members of the board," explained Mr. Brown. "It was easier naming any one of our first-born children than getting a clear name for use and for the website!"



Loyal Trust Bank

▲ The winner from a contest of 100+ names!

According to Mr. DeWitt, "Tandem Bank was inspired by the idea of a tandem bike, where both riders need to be in sync in order to get where they both want to go. The power is in the association, and the idea that no one has to go it alone. It's the right analogy for a community bank like ours."

Mr. Mynatt shared "The idea behind Craft Bank's name, came from Beth Martin, co-founder and proposed Chief Experience Officer. We want to form an institution that allows clients to create or craft the experience that they want and how they want to be banked," he said. "We have even discussed the possibility of naming some retail accounts 'individual personal accounts' or IPAs," incorporating a type of craft beer into the marketing."

"One of the meanings of Hyperion is "he who goes above," and I like to think of that as a reference to the enthusiastic, tailored approach our people take in partnering with our customers. We love a challenge and enjoy seeing it through to success," explained Mr. Crawford.

Tell us about the markets you are serving?

"Being a truly multi-cultural community bank headquartered in the market from the board down through the staff, we have found there to be a greater comfort by many doing business with our organization," stated Mr. Brown. "We do have high tech products we'll be launching in the next few months."



▲ Charlie Brown, Loyal Trust Bank



▲ (l-r) Charlie Crawford, Alisha Nasse and Amy Ellis from Hyperion Bank

"Craft Bank proposes to be active in U.S. Small Business Administration and U.S. Department of Agriculture lending, as well as asset-based lending, inventory and equipment financing, and all types of commercial real estate lending, including residential and commercial construction, office owner-occupied and investor-owned, industrial warehouse, and possibly selective retail deals outside of SBA. The organizers plan for the Bank to leverage technology as a market differentiator in facilitating faster loan approvals," explained Mr. Mynatt. "Members of the proposed executive team see an opportunity based on contacts they have had from customers at other banks in recent years, expressing frustration with 2- to 3-month approval processes. We have each heard that multiple, multiple times."

"Hyperion was founded in Philadelphia in 2006 and continues today as a full-service community bank. Since we opened our doors in Atlanta in September, we've focused on many of the same things in this market – full-service lending and deposits for individuals, small businesses, serial entrepreneurs and professionals – with an emphasis on high-touch service and technology. The way in which we

lean into service and tech may be the most unique thing about us, as many of our customers never even come to the bank; we take the banker and, in a sense, the bank to them so they can keep moving with their busy lives and the many business hats most of them wear daily. This market has been keenly responsive to that enthusiastic and engaged response."

"We like the demographics and composition of the near suburbs of Atlanta, where we can use our natural advantages of personal relationships and a deep understanding of local market needs. We also have the advantage of opening Tandem at a time when digital technology has opened the doors to convenience and access like never before," said Mr. DeWitt.

"Being "local" is in our DNA. We're rooted in the community and we tailor our products and our decisions to fit local needs and local context," Mr. DeWitt continued. "We pride ourselves on listening and adapting to the changing circumstances faced by small and medium-sized businesses along with local retail customers. At every turn we treat them with the respect and personal attention they deserve."

Competitive Advantage - Technology is the key... But that's not everything

Technology and personal service is the common thread for these new banks. All four banks emphasized investing in technology, ensuring the customer experience was convenient with secure electronic account openings, and old-fashioned adage of taking care of the customer, would always be the key to their bank's success.

"Organizers plan for the proposed bank Craft Bank to equip team lenders and treasury services agents with tablet computers linked with the home office by virtual private network (VPN), so that they can meet clients anywhere — "their office, Starbucks, Piedmont Park" — and send information back to the chief lending officer, the chief credit officer or CEO in real time, so they can begin reviewing the loan scenario immediately and propose options if needed," explained Mr. Mynatt. "While it wouldn't be an immediate approval as the deal would still require due diligence and final approval, it would expedite the process. This will allow us to get a start on the underwriting because the credit memo template, the framework of that memo, is being written while the banker is with the client."



▲ Ross Mynatt, Craft Bank I.O.

Mr. Brown noted, "At Loyal Trust Bank, in addition to the cliché' most community banks that a higher level of service, and many state a higher level of technology, we have added the multi-cultural mix to the formula for a truly personal and comfortable banking experience and that really sets the bank apart."

Mr. DeWitt shared Tandem's competitive advantage. "If there's a secret sauce, it's that we don't try to fit people into a cookie-cutter approach. Unlike larger banks, we make banking work for our customers, not the other way around. We take the time to understand what they're trying to achieve, and we propose responsible but creative ways to help them get there.



▲ Charles DeWitt, Tandem Bank

Our business model is based on leveraging technology to make it easier to bank with us, utilization of small satellite office, rather than branches, and a relentless focus on the customer experience.

At heart we see ourselves as entrepreneurs, just like many of our customers. So our success is all about leveraging a good idea, in this case a new form of community bank, into a lasting enterprise that makes a difference in people's lives. Our growth is going to come from investing in the community and creating a positive customer experience at every turn that inspires people to do business with us."

Mr. Crawford summed it up — "Atlanta is abuzz with new banking activity and we're happy to be part of that exciting mix. It means customers, business opportunities, and talented bankers are all in play and we like to be on the field, building the team, building the customer relationships and creating win-win-wins for our customers, our investors and our communities."

Congratulations to these New Banks on the Block! ~

When you're not running a bank, we might find you...

Charlie Brown: "With family no doubt as my first priority. Followed by music composition and recording, followed by tennis and golf. Too many hobbies, with too little time."

Charlie Crawford: "I am an avid runner and would say it keeps me as mentally fit as it does physically, because I do some of my best thinking when I am running. (My PR guy, Drew Plant, would want me to share that I am past chair of the Atlanta Track Club, which is most known for putting on the annual Peachtree Road Race every July 4.) I also enjoy tennis and team sports. I also enjoy being involved in the community, including business organizations. I genuinely enjoy such service and the many friends made through it."

Charles DeWitt: My wife and I enjoy watching our boys complete in high school sports. I also like cycling and working out. You can also find me doing church related work and serving on various community boards.

Ross Mynatt: I'm an avid tennis player and I love to bicycle. My wife and I love to travel and cook together. My second daughter Emma is a freshman at Western Carolina University and we have always gone rafting on the Nantahala River. Emma has become a raft guide on the French Broad River and I was recently a client of hers on a tour. Interesting fact - the French Broad River is one of the oldest rivers in the country and is one of two rivers in the U.S. that flows North.



▲ Mynatt fighting the rapids on the French Broad River