

Stonegate Bank Buying Regent Bank for \$40 Million

Carla Vianna, Daily Business Review

April 26, 2016



Dave Seleski, president and CEO of Stonegate Bank.

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Stonegate Bank is increasing its footprint in Broward and Palm Beach counties with an agreement announced Tuesday to buy the parent of five-branch Regent Bank for \$40 million.

The Pompano Beach-based buyer signed a definitive agreement with Regent Bancorp Inc., the bank holding company, to close later this year. The deal is valued at \$9.02 per RBI share, according to a news release.

RBI reported \$363 million in assets, \$274 million in loans and \$293 million in deposits at the end of 2015.

Stonegate's merger with Davie-based Regent will inflate its assets to \$2.7 billion, ranking it the ninth-largest bank based in Florida, according to the release. Its Palm Beach network will increase by three branches with about \$350 million in deposits, and its combined deposits in South Florida are expected to hit \$1.5 billion.

This marks Stonegate's ninth acquisition since 2009, said

"This acquisition significantly expands our deposit market share in Broward County to about 2.2 percent, resulting in Stonegate having the largest deposit market share of any community bank in Broward County," he said. Stonegate operates 21 offices in South Florida and southwest Florida.

The bank hopes to announce at least one more acquisition this year, Seleski told the Daily Business Review.

Florida's banking industry buzzed with consolidation activity last year, and he predicts that trend will continue.

"We're going to continue to look at acquisitions going forward," he said.

New York-based Keefe, Bruyette & Woods Inc. served as financial adviser to Stonegate while West Palm Beach-based Gunster served as legal counsel.

Hovde Group LLC, based in Illinois, served as financial adviser to RBI, with Orlando-based Smith Mackinnon P.A. serving as legal counsel.

Last summer, Stonegate announced it was setting up a correspondent banking relationship with a Cuban financial institution. The news came after the bank became the go-to institution for Cuba's diplomatic mission in the U.S.

Meanwhile, the bank expanded its role in South Florida's real estate arena. JMH Development, a New York-based developer, secured a \$26 million loan for its boutique luxury residences dubbed Three Hundred Collins in Miami Beach. Stonegate will finance the five-story, 19-unit South Beach project, which is 70 percent sold, according to a news release.

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