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## Tidelands Bancshares to divest noncore assets

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Mount Pleasant, S.C.-based [Tidelands Bancshares Inc.](#) and unit [Tidelands Bank](#) said June 3 that the unit is divesting the majority of its investment portfolio and shrinking its noncore funding, which includes brokered deposits, repurchase agreements and borrowings.

The move is aimed at strengthening Tidelands Bank's balance sheet.

The transactions divest most noncore operations, leaving the bank with assets of approximately \$550 million, loans of approximately \$475 million and deposits of about \$450 million.

Upon completion of these transactions, the bank will remain well-capitalized and in compliance with regulatory capital requirements.

Under the plan, Tidelands Bank will be a smaller bank with a business model focused on its core business and traditional markets along the coast of South Carolina.

The company's board determined that the implementation of this capital and regulatory risk plan was the best course of action to preserve and enhance long-term shareholder value.

Under the plan, the company expects to achieve full compliance with all regulatory capital requirements, preserve tangible book value per share and eliminate noncore-funding dependency through the significant reduction of wholesale funding. It also plans to continue to aggressively manage the bank's existing loan portfolios to minimize further credit losses, mitigate credit risk through additional credit provisions and reduce interest rate risk exposure on longer term assets and liabilities. The plan also aims to achieve core earnings for the future that will also permit the bank to begin to use its current deferred tax asset of approximately \$5.6 million.

The company expects the divestiture to take place over the next few weeks and be substantially completed by June 30.

FinPro Inc. is serving as the financial adviser for the transaction.