

THE

# HISTORIAN

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OF HANCOCK COUNTY

Bay Saint Louis, Mississippi

August 2018

## COMING EVENTS AT LOBRANO HOUSE

The monthly luncheon meeting will be held on Thursday, August 16, 2018, at noon at the Kate Lobrano House. The guest speakers will be Ames Kergosien and Joe Kern. Ames will speak on the real estate history and market of Hancock County, and Joe will speak on the business of operating a department store in Hancock County. **Reservations are required** and may be made by calling 467-4090. **Respectfully we must request that you please call by noon on Wednesday, August 15**, to make your reservation in order to help us plan seating which is limited to forty-eight people and to apprise us of the number of lunches to order. Lunch is \$12.00, payable at the door, and it is catered by Almost Home Catering, Michelle Nichols, chef.

## ANNUAL CEMETERY TOUR

Even though October is still a few months away, it's not too early to begin planning the Cemetery Tour. The 24th Annual Cemetery Tour will be held on **Friday, October 26, 2018, from 5:00pm to 7:30pm** at Cedar Rest Cemetery in Bay Saint Louis. Needed are volunteers to prepare the cemetery, to portray citizens buried there, and to act as guides. To volunteer, please call 228-467-4090. All actors and guides must be members of the Historical Society. **Please note the change of date and time this year.**



After weathering many storms, the Hancock Bank building still stands at 100 South Beach Boulevard in Bay St. Louis, MS, looking much as it did when it originally opened in September 1900.

—photo taken 8/3/2018

## History of the Hancock Bank (1963—2018)

By  
James Keating M.D.

Upon the death of his father, Leo William Seal, Jr. (1923-2008) became the fifth president of the Hancock Bank. Under his leadership the bank entered an exciting era of prosperity. Hancock County and the Mississippi Gulf

Coast would emerge from a period of relative dormancy during the first half of the 20th century to one of unparalleled economic opportunity and development. Seal had a superb education having completed graduate school study in banking at Louisiana State University and Harvard University. He also did six months of internship at the Continental Illinois Bank in Chicago. Before taking over as president, he had worked in every department in Hancock Bank, from runner to member of the Board of Directors.

THE  
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“TO PRESERVE THE GENERAL AND ARCHITECTURAL HISTORY OF HANCOCK COUNTY AND TO PRESERVE THE KATE LOBRANO HOUSE AND COLLECTIONS THEREIN; TO RESEARCH AND INTERPRET LIFE IN HANCOCK COUNTY; AND TO ENCOURAGE AN APPRECIATION OF AND INTEREST IN HISTORICAL PRESERVATION.”

An early accomplishment of Seal was to establish a bank branch at the NASA Stennis Space Center. Seal initiated considerable diversification and physical expansion. Nine new branches and the tallest coastine building, One Hancock Plaza, were built by the bank in this time frame. The remarkable growth of the Hancock Banking System can be attributed to innovation. Seal persuaded the stockholders in 1964 to waive their preemptive rights so he could issue \$400,000 of thirty year capital notes to increase the capital in anticipation of his plans for future growth.

Seal was successful in getting the region back on track after Hurricane Camille, which devastated the Mississippi Gulf Coast on August 17, 1969, by being named chairman of the Rebuilding Committee by the Governor. He persuaded the federal government regulators not to send examiners into the coast banks for many months because they all had problem loans. He prevailed upon the SBA (Small Business Administration) to move immediately into the upper three floors of his building at One Hancock Plaza. Disaster loan applications by the SBA were forthcoming forty-eight days after the storm. This gave evidence that the public could expect meaningful rebuilding finance by the banks and the SBA. Seal organized all the mayors, presidents of the several county boards of supervisors, and chancery clerks from the seven affected counties to develop a single plan for presentation to Governor John Bell Williams and the legislature for recovery. The legislature passed bills providing direct appropriation and interest free long term loans the cities and counties thought they needed.

Banks across the nation could not flourish any longer in this

era with just the interest from loans as their only source of revenue. The time honored formula was to give a fair rate on deposits and achieve a 4% spread with loans, thus making a decent profit. Additional revenue was needed that could be acquired through fees generated by a greatly expanded sector/department of financial services. Innovative new services created under Seal’s stewardship included the Hancock Travel Agency, Hancock Mortgage Corporation, Harrison Finance Corporation, a credit life insurance company, an electric processing center, and a manufacturing partnership.

Seal shrewdly conducted prudent mergers with banks in Poplarville (1973) and Picayune (1975). Hancock Bank with assets of \$800M moved into Jackson County in 1985 with a merger with the respected Pascagoula-Moss Point Bank with \$400M in assets and eleven branches. Hancock Bank now extended across the entire Mississippi Gulf Coast from the state line of Alabama to that of Louisiana with a thriving network of thirty-five branch locations and assets of \$1.2B.

Seal promoted the civic and economic interests of Hancock County and the Mississippi Gulf Coast. He promoted the transfer of the Port of Gulfport city ownership to the state, facilitating continued and future infrastructure for economic development of the Port. He was instrumental in getting Highway Commissioner John D. Smith to enlarge U.S. 90 from Bay St. Louis to the NASA Test Facility (Stennis) in Hancock County from two to four lanes. He supported the building of the Stennis International Airport in the Kiln by the Hancock County Board of Supervisors Port and Harbor Commission. On three separate occasions when financing plants were jeopardized because the principle underwriters of the bond



Leo Seal, Jr.  
President of Hancock Bank  
1963-1990



George Schloegel  
President of Hancock Bank  
1990-2008



John Hairston  
President of Hancock Whitney Bank  
2008-present

syndicate backed out at the last minute, Seal rescued the deals by forming new syndicates. Accordingly, these plants located in Hancock and Harrison counties were saved. In addition Seal was President of the Mississippi Bankers Association and the first chairman of the Infinity Science Center at Stennis. Other community activities included serving on the Mississippi Power Board of Directors, the Hancock County Chamber of Commerce, the Gulf Coast Chamber of Commerce, and the Gulfport Rotary Club. Leo Seal, Jr., served as president from 1963—1990. After 1990 he continued as CEO of the Hancock Holding Company until his death in 2008.

George Schloegel was the sixth president of the Hancock Bank. He started working for Hancock Bank at age sixteen in 1956 as a messenger and mail clerk at a salary of one dollar an hour. He remembers a sentinel event at that time when late after dark one Friday night he arrived at the locked front door of the bank loaded down with mail bags, fumbling to find his key. Much to his surprise Leo Seal, Sr., the bank president, got up from his

desk and opened the front door for him and said as George was going home, “Good night, George, have a nice weekend.” A few days later, the bank treated the young Schloegel to a twenty-five dollar Christmas bonus. Schloegel claims that he knew at that time he wanted to work for and retire from this bank. “I knew I was going to be there for the rest of my life.” Schloegel was made executive vice president in 1977 and president in 1990.

George Schloegel (b. 1941) was a professor at the LSU Banking School for twenty-five years while concomitantly working for the Hancock Bank. He was instrumental in acquiring the American Bank of Baton Rouge in 1990. The local regulator approved the acquisition of the troubled American bank under the auspices of the Resolution Trust Corporation (RTC). Although the bank was insolvent, there was considerable value in its trust department. The bank was reorganized as the Hancock Bank of Louisiana, but it was owned by the Hancock Holding Corporation, which managed its charter in Louisiana. Schloegel was an operational geni-

us and a motivational, inclusive leader. This “rainmaker” persuaded Seal and the Board of Directors to go from Mississippi to Louisiana with the acquisition of the American Bank of Baton Rouge. Schloegel’s outside activities included President of the Mississippi Bankers Association, chairman of the committee that recruited the naval Oceanographic Center to Stennis, Charter Chairman of Coast 21, President of the Gulfport Jaycees, President of the State Jaycees, and Vice President of the National Jaycees.

John Hairston (b. 1963) was recruited by Schloegel in 1994. An environmental engineer undergraduate education complimented a graduate degree in banking. Hairston proudly supervised three separate generations/revolutions of automation at Hancock Bank. In 1990 he was hired as a consultant to update the Hancock Bank’s original computer technology. This first generation of banking software and network technology allowed the bank to centralize its record keeping and allow access from any bank/branch location. Hairston updat-

ed this early software with the addition of the Systematics IT (Intelligence Technology) software platform which automated core banking systems (ie. checking accounts). The second major generation was the explosion to online remote computer banking allowing communication and transactions to be conducted over the internet, generally through a bank's website under a private profile, with a personal desktop or laptop computer. These transactions included services traditionally offered at local branches but without having to go to one. A third generation or revolution called mobile banking was the onset of digital banking accessed by smartphones. Like his predecessors, Hairston was engaged in outside activities. He is the current Chairman of the Gulf Coast Business Council, Trustee and Executive Committee Member of the National World War II Museum in New Orleans, and chairman of the committee that created the Joint Tourism Commission among the three coastal counties.

Hairston took over as CEO of the Hancock Holding Company in 2008 after Schloegel retired to become Mayor of Gulfport. He reports that there are three types of mergers. The first is opportunistic usually when a larger strong bank gobbles up a usually smaller troubled/failed bank such as their acquisition of the First NBC of New Or-

leans in 2017. The second type of merger is strategic such as the purchase of Merchants Bank by Whitney Bank in 1996 so it could cross into Mississippi and use Merchants already established thirteen branches. The third type of merger is a transformative merger which appropriately characterized the Whitney Bank acquisition in 2011.

In 2008 the Great Recession occurred which was caused by the bubble bursting of the subprime mortgage boom. In 2011 Hancock Bank bought Whitney Bank in a merger deal that increased Hancock Bank's total assets to \$20B. This merger consummated a friendly relationship which had started one hundred years earlier among the Hancock County Bank in Bay St. Louis, Mississippi, the Bank of New Orleans, and the Whitney Bank of New Orleans. Hairston reports that the Whitney merger was transformative because Hancock increased its assets from \$9.5B to \$20B. A bank is considered small if its assets are less than \$10B, medium sized if \$10 to \$100B, and large if more than \$100B. The Hancock Bank at \$20B would now have to operate differently because it would now be under the strict regulatory environment of the newly passed Dodd-Frank legislation. Merging the computer systems of the two banks justified the investment into transformative, new, updated computer systems. Recent legislation this year has repealed/rescinded some of that onerous banking regulation. Whitney Bank concentrated on port commerce and industry whereas Hancock Bank focused on commercial real estate and consumer banking. The key to Whitney Bank was New Orleans. For this reason Hancock Bank decided to incorporate the Whitney brand and rename the holding company and bank the Hancock Whitney Bank.

In conclusion, the history of the Hancock Whitney Bank is a Hancock County success story. The institution that started in 1899 and continues to flourish to this day has grown from \$16,000 to \$27B in assets. The bank has enjoyed strong leadership throughout its existence in no small part because of a successful succession strategy recognizing, recruiting, and grooming future leaders under the tutelage of the older bankers. The bank through its leadership has embraced a philosophy that its function was not only to provide financial services but also to be actively involved in the projects, problems, and progress of the local and regional community. Not only have these bank presidents shown remarkable leadership inside the bank, but they have also been and continue to be great community activists outside the bank. Hancock Bank from the start has been unpretentious, but solid and substantial. Throughout the 20th century the bank has welcomed innovation which explains its survival of disasters such as depressions, recessions, and hurricanes. The Seals, Schloegel, and Hairston accomplished shrewd, bold mergers, and acquisitions. Presently, John Hairston is considered in banking circles



GROWTH OF ASSETS	
1963	\$ 42M
1974	176M
1985	1.2B
1997	2.4B
2008	7B
2011	20B
2017	27B



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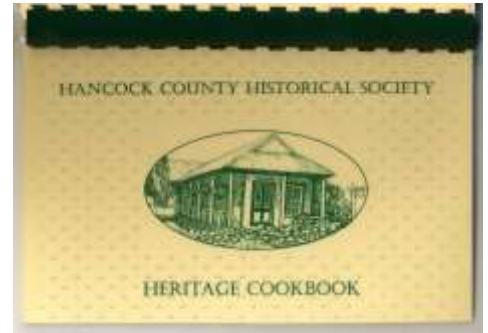
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A revised edition of the original 2000 Hancock County Historical Society Cookbook will be available July 1 at a cost of \$20. You may pick up a copy at the Lobrano House. If you would like a copy mailed to you, please send a check for \$27.00 per copy (\$20 + \$7 for mailing for each copy) to HCHS, P. O. Box 3356, Bay St. Louis, MS, 39521.

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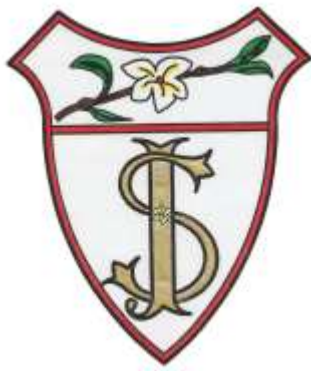
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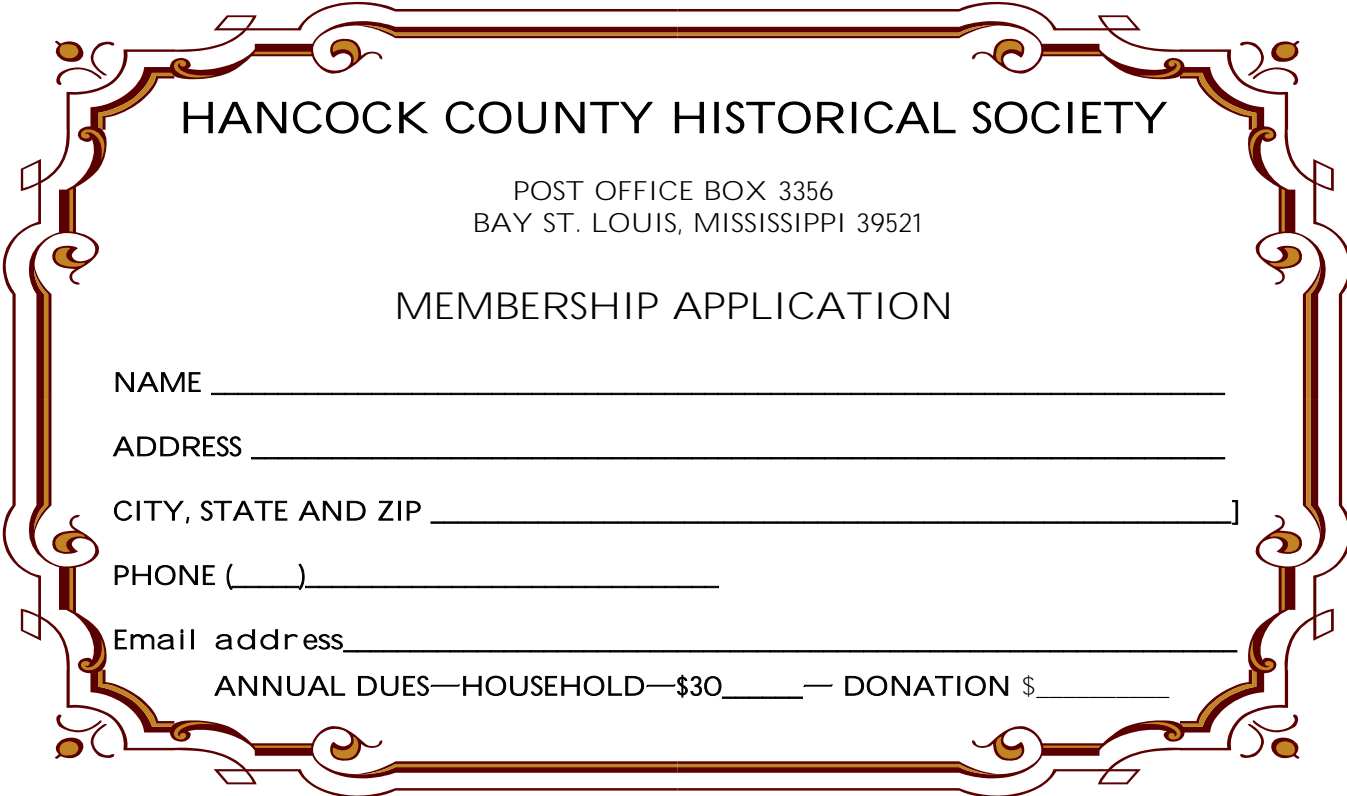
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