

# TRIANGLE BUSINESS JOURNAL

VOL. 25.49 • Daily news updates at [trianglebusinessjournal.com](http://trianglebusinessjournal.com)

August 6, 2010 • \$3.00

# Banks keep workers – for most part

By Lee Weisbecker



STEVE WILSON

Hope Holding Connell, left, and Frank Holding Jr. head First Citizens, which has made buys and added workers.

**RALEIGH** – Despite the downturn in the banking industry, Triangle community banks have avoided significant staff reductions.

At larger regional banks, however, the past dozen months have brought volatility in the form of employee cuts or additions, depending on the institution's circumstances.

At Raleigh-based First Citizens, which over recent months has purchased four failed, out-of-state banks in deals brokered by the Federal Deposit Insurance Corp., the employee roster has grown by 14 per-

cent, from 3,995 in June 2009 to 4,553 as of June 2010.

The bank's acquisitions have come in California, Washington state and Florida.

In addition to retaining employees at the acquired banks, says First Citizens spokeswoman Barbara Thompson, "we have also added staff in some (Triangle) headquarters departments to support the work involved in the acquisitions and system conversions. Those departments include credit, appraisal, finance and IT."

SEE BANKING PAGE 37

# BANKING: RBC Bank has cut more than 400 employees, and analyst believes reductions are not over yet

FROM PAGE 3

Meanwhile, at Raleigh-based RBC Bank, which has been feeling the effects of housing and real estate slowdowns in Georgia, Florida and other Southern states, the staff contracted by 8 percent from June 2009 to June 2010 – down by 429 employees, from 5,115 in 2009 to 4,686 now.

RBC Bank is the U.S. banking arm of Royal Bank of Canada. RBC international banking unit spokesman Kevin Foster, based in New York, declined to comment on the RBC Bank employee figures or whether the bank has yet achieved its desired footprint.

“Even if I had access to the numbers, they are their numbers and any information would have to come from (RBC Bank),” said Foster. Raleigh-based RBC Bank spokeswoman Dorsey Landis declined to comment.

Analyst Darko Mihelic, who covers Royal Bank of Canada for Cormark Securities, says he believes that downsizing at RBC Bank is not yet over. “The indications we get from the company are that they are still right-sizing,” says Mihelic. “We’ve gotten

no signal from them that they are done.”

The bank employee figures are for full-time equivalent workers reported by the banks to the FDIC, which compiles them. The staffing levels for June 30, 2010, were reported by the banks in their second quarter call reports submitted to the FDIC.

As for the community banks, the data show that even in the face of problem loans and declining profitability, managers have worked to keep their staffs in place. Some 11 area community and speciality banks with 1,523 full-time workers on payroll in June 2009 reported 1,521 a year later.

“The (staffs) of smaller banks are usually so thin to start with they can’t afford to lose people,” says Steve Ogburn, CEO of Raleigh-based CapStone Bank, a business-focused lender.

Over the past year, CapStone has actually grown its employee roster from 18 to 23, according to the FDIC.

During the same time, Raleigh-based North State Bank grew its staff from 99 to 108, in large part through the acquisition of Affiliated Mortgage, a Raleigh-based mortgage writer that has become the bank’s mortgage-generating unit.

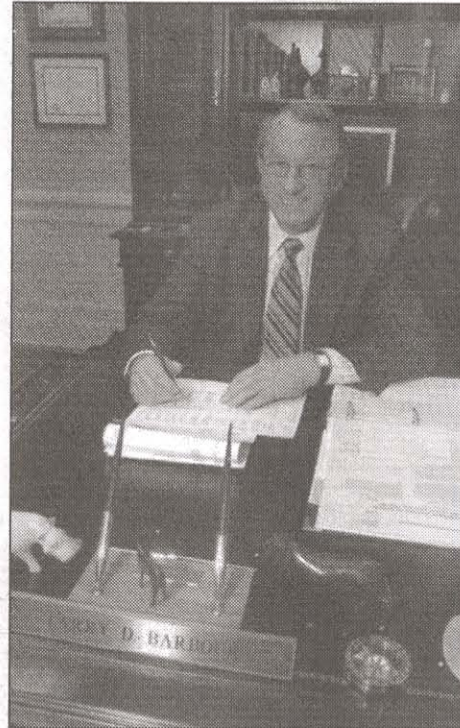
“We’re committed to our people,” says CEO Larry Barbour. “We’ve asked our people to sacrifice as far as salary increases and 401k (set-asides) are concerned ... but we are not laying people off.”

Cary-based Crescent State Bank added a half-dozen employees over the period. CEO Mike Carlton attributes the increase to the opening of two additional Raleigh offices in 2009.

“We continue to believe in the markets in which we serve,” Carlton says, adding that the bank is continually reviewing its staffing level. “We are always looking to add quality bankers who can help us move forward when things start to improve,” Carlton says.

Other banks growing staff over the past 12 months are Durham-based business bank KeySource, up three employees, and Raleigh-based specialty lender Greystone, up 13.

Institutions on the other side of the equation are Raleigh-based Capital Bank, which reports five fewer staffers than a year ago; Durham-based Square 1, minus 3; Fuquay-Varina-based Fidelity Bank, minus 15; and Durham-based Mechanics and Farmers, minus 18.



STEVE WILSON

CEO Barbour says North State's committed to workers.