

CATCHING UP WITH COMMUNITY BANKS

Nearly three years after the big shake-up, there is optimism



By Taylor Arnold

In the years following the financial collapse of 2008, Georgia's banks have been hit particularly hard. Even harder hit have been the community banks in and around Atlanta. This economic shake-up has meant big changes for the folks behind the scenes, so *Atlanta INtown* decided to catch up with some of these community bankers to get their take on the state of community banking today and where they see it in the future.

With over 40 years in the banking industry, Marvin Cosgray has certainly ridden the highs and lows of this ever-changing economic climate. He's served as president and CEO of several community banks in metro Atlanta since 1985, including The Buckhead Community Bank, which was acquired by State Bank & Trust in late 2009. The Buckhead Community Bank grew quickly during the real estate boom in the early 2000s, and like so many other community banks, took a big hit once the housing market collapsed.

But nearly two years later, Cosgray is pleased to report that he is no longer in survival mode. "I feel that there is a bright future for a well capitalized, well managed community bank," he says. "Unfortunately there will be more community banks closed in Georgia, but it will present an opportunity for the surviving banks to develop new business and grow."

Today he's managing director of Private Banking at Georgia Commerce Bank where his focus has shifted from real estate to local business development. "Georgia Commerce Bank raised additional capital from the local marketplace, allowing us to become the first bank in Georgia to pay back our TARP money to the U. S. Treasury," he says. "We opened a new office in Buckhead that

has been successful in developing a strong private banking customer base."

As senior vice president of human resources at Georgia Commerce Bank, Katherine Kay has a unique perspective on the changes in community banking. She, too, was with The Buckhead Community Bank until its acquisition in 2009, but today she is happy to put those difficult times behind her.

"Being in HR in a community bank in 2008, my job was focused on cost reductions and doing more with less," she says. "Now I'm with a well-capitalized bank and we are growing, hiring people, and most importantly, able to help our customers and the communities we serve. It's a great feeling to get back to what community banking should be."

Another veteran of The Buckhead Community Bank is Donna Kain, who has 30 years of experience working with local business owners. She moved to Fifth Third Bank in early 2011, and today she says the banking climate is growing stronger and more competitive all the time.

"My first love in banking has always been working directly with clients, and I am back to doing that on a daily basis," she says. "The previous three years, I spent most of my time trying to manage problems. I'm thankful for that to be history."

Kain believes Atlanta is still a great place to do business, but she recognizes the importance of keeping strong relationships with her clients. "I will say that banks are much more interested in the total relationship now than they might have been in the past," she says. "Contrary to what many people think, banks are eager to lend money and are offering competitive rates."

It is this community banking model that keeps Brian McGuire, Vice President of treasury management services at Private Bank of Buckhead, optimistic about the economic future of Atlanta.

"If anything, community bank customers have been more loyal during the challenging economy because they are

getting the service other consumers are not," he says. "Clients of a community bank don't necessarily think bigger is better. On the contrary, they choose to do business with a local community bank that is small enough to know their customer and tailor their services to the needs of the local businesses and consumers."

As with many places, community banking in Atlanta remains in flux, but according to McGuire, that's not altogether a bad thing for consumers. "That climate of change has in many ways presented them with choices and opportunity," he

says. "There are some banks that remain on regulatory watch lists, but there also are some strong healthy banks. I am pleased to say that both through luck and strategic vision, ours is one of those healthy banks."

After three years of big changes for community banks, one thing's for sure. This crew remains committed to the local market. "Community bankers have always been viewed as the most trusted advisors in their communities," Kay says. "Even during these difficult times, we have always maintained that level of trust. Our customers are loyal, and they've weathered the storm with us." **IN**



Brian McGuire



Marvin Cosgray



Donna Kain