Rising to the challenge

Castilla guides turnaround for Edmond bank

EDMOND – Four years ago, the ownership of Citizens Bank of Edmond had a problem. Jill Castilla was part of the solution.

The Federal Reserve Bank and the Oklahoma Banking Department had just worked out an agreement with the bank’s holding company, Citizens Bancshares Inc., that disallowed dividends without government approval and required a plan to improve its credit risk and loan portfolio management. The original enforcement order did not outline the cause of the problem, nor would company officials offer a public explanation at the time.

Members have been so pleased at the board’s position improved. At about the same time, C.H. Wyatt, who had been in the banking industry for 36 years, had served as chief executive and director of InterBank in western Oklahoma. If he was to be captain of a remodeled ship, he needed an able first mate to oversee its repairs.

“Getting her hands dirty is probably an accurate characterization of how she gets involved in the bank,” Wyatt said recently of his executive vice president. “If she takes a project, she takes ownership of it. … I think all of our board members have been so pleased at the things she’s proven she can do. “All of us knew how talented she was. Giving her the opportunity to let her do those things has been incredibly rewarding,” he said. “She has exceeded our expectations.”

Island time

Castilla was a naturally bright girl with a wide range of interests growing up in Okmulgee, a town just short of 11,000 people. It doesn’t seem that long ago – Castilla is only 41 now – but even then, in her graduating class of about 150, she chose to ignore traditional gender-based culture stereotypes and pursue an engineering degree at Oklahoma State University. Her single father imagined she would become a professional golfer. Castilla described herself as a nerd.

She paid her own way for the first couple of years at the state school in Stillwater, working jobs around classes. A military recruiter charting with her one night while she moved groceries at Homeland said she should look into ROTC service instead. She enlisted the next morning.

The military changed her life’s course by providing more than scholarship money. She also met her future husband, Marcus Castilla, in the ROTC, and followed him to his first assignment in Hawaii, where they thought she might take a short break in her pursuit of an engineering degree. Instead, she fell in love with the island state and picked up a job at a T-shirt manufacturing company. Her mentor at the time suggested that Jill try her hand at business finance.

Castilla earned a bachelor’s degree in finance from Hawaii Pacific University, and when she and her husband moved back to the mainland she earned a master’s degree in economics from the University of Oklahoma. She also graduated from the University of Wisconsin-Madison’s banking school program.

Once she realized how much she enjoyed the challenge, Castilla fully immersed herself in the world of finance and applied for a job with the Federal Reserve Bank Oklahoma City branch. Her boss at the time, Managing Officer Dwayne Boggs, said Castilla mastered every task set before her in a wide range of departments such as human resources, cash handling and facilities management. Management promotions at the Fed are based in part on personal initiative and how well an employee adapts to new areas, said Boggs, now retired. He said Castilla moved quickly up the ranks.

At about the same time Castilla had entered college, her mother had remarried and brought the young woman into a family with a long history of bank ownership and management. When Castilla came back to Oklahoma, she became the fourth generation to work at Citizens.

Back home

When Castilla came to Citizens Bank, its so-called “Texas ratio” equation of nonperforming assets compared against tangible common equity capital and loan loss reserves was dismal. The bank ended 2009 with a ratio greater than one-to-one. About a year later, that 102-percent figure was down to 60 percent. By the end of June this year, the bank was at 7 percent. Its assets total
EDMOND – Within the culture of banking, deep in the regulations and financial theory, is an assumption that leadership is based on years of experience that can't simply be locked in a safety deposit box to pass on to the next generation.

“That's where I believe Jill Castilla is really going to make a big difference someday,” said Jane Haskin, chief executive of First Bethany Bank. “She's got a great amount of potential, an obvious professionalism, that's going to serve our banking community well.

“The issue of succession in banking has always been a difficult issue to address, because there's naturally caution about talent and training when there's a change,” Haskin said. “From what I've observed, I think Jill is going to be an exception to that rule.”

Haskin is also a former chairwoman of the Oklahoma Bankers Association. Castilla, the executive vice president of Citizens Bank in Edmond, was recently elected to serve on the OBA board of directors. Haskin said she has enjoyed the opportunity to serve alongside the other woman.

“She's definitely impressed me with her professionalism and knowledge of the industry,” Haskin said. “And she's been very innovative in her use of social media, in ways that many community banks have been slow to adopt.”

Haskin praised the Edmond bank's Facebook and Twitter accounts as worthy examples of how banks should reach out to their communities to forge more personal connections. The Bethany bank hasn't created its own Facebook page yet, although it has a Twitter account now.

Castilla has even performed in a YouTube video with the bank staff and members of the community, dancing to the pop hit Gangnam Style. It hasn’t been a huge hit, with only a few more than 7,000 viewers, but it's still an example of breaking down the banking culture and making it more accessible to customers, Haskin said.

On a more serious note, Haskin and others in the Oklahoma banking industry said owners and boards of directors share the concerns of regulators when a new leader takes up the reins of a bank. Will the individual make drastic department changes that upset the finely tuned balance of millions of dollars? How will he or she shoulder the inheritance of incomplete sales plans or mergers? The concept of leadership can seem vague until it's clearly absent.

“In my mind, she's going to be a really solid leader in this industry for the next generation of bankers,” OBA President Roger Beverage said of Castilla. “She's really bright with an incredible background and diversity of experience, and she's been an exceptional loan officer and master strategist to help Citizens (Bank) out of a difficult position a few years ago.

“Laying out your succession plans, your emergency plans, asking the tough questions like what happens if I drop dead – those are tough questions that every bank has to face,” he said. “If you look at Jill’s background, and her natural intelligence, in her early 40s? I’m looking at her, and a few others like her, to take up the torch.”

Brad Swickey, chief executive at Valliance Bank and another former OBA chairman, agreed with Beverage that the industry would be smart to search out more people with capability like Castilla. Swickey has led many banking conferences and professional training courses, typically populated by younger bankers. Their questions reveal a broad understanding of regulatory challenges and an eagerness to take a proactive position in shaping policy, he said.

“I feel like we’re leaving banking in good hands,” Swickey said. “The industry has recognized Jill as an up-and-comer, and I believe she represents the kind of star that the industry needs.”

– Brian Brus

Insiders: A successful succession
$265 million.

“It’s been a lot of hard work from a lot of good people to make that happen,” Castilla said.

Wyatt said Castilla is being modest. Once the bank’s corrections were in motion, Wyatt said the leadership had been challenged with divesting a lot of nonperforming assets in the real estate portion of the bank’s loan portfolio. That couldn’t have happened without her management skills and solid financial background, he said. Castilla answers directly to him.

Castilla’s capabilities and personality are reflected in her Myers-Briggs type indicator, a shorthand psychological inventory based on work by Carl Jung that sorts people by four primary attributes, or 16 types in total. Castilla confirmed she’s what’s referred to as an INTJ type with some extravert tendencies – an intelligent, pragmatic coordinator of complex systems who is comfortable working behind the scenes but also able to step into a field marshal role to make sure the job gets done. Boggs, Wyatt and peers in the Oklahoma Bankers Association said the profile fits perfectly; she’s able to see the bigger picture and everyone’s place in it.

Which isn’t to say she’s perfect. Castilla thanked Wyatt for his trust and allowing her to make mistakes along the way. Castilla always keeps in mind her background and tries to remain humble as she helps her co-workers – “the team,” she said – develop their skills. Ego and a sense of entitlement has no place in public service, she said.

“I appreciate diversity in business models as well as people,” Castilla said. “That’s really become our focus at this bank: We can’t be everything to everyone, but we should be everything we can to the Edmond community.”

“We were heavily concentrated in residential construction, and we still have a large portfolio, but now we have a greater diversity than we’ve ever had in modern times,” she said. “This is such a vibrant community. … We have tried to focus our business plan with really solid, high-character members of the community. We want to do business with people who align with our values.”

The bank has also refined operations in other ways. Citizens Bank early this year divested three real estate properties in Oklahoma City while keeping branch deposits.