

Building a Culture based upon Relationships



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Interview conducted by:
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CEOCFO: *Mr. Nash, what is the vision behind American Bank of Missouri?*

Mr. Nash: The vision for American Bank of Missouri is and always has been to build relationships with our customers. We are not transaction oriented but relationship oriented with all of our financial services. Our bank looks to target repeat business with people that want to do business with us long-term. That has been our key.

CEOCFO: *How do you build relationships, trust, and how do you walk that fine line between providing information about products and seeming a bit pushy?*

Mr. Nash: It is important to develop a relationship based upon trust whether it is on the loan side or on the deposit side. The importance of the initial contact with that new customer is that you have the opportunity to discuss the importance of relationship and explain to them that we intend to be there for them as they grow. Even during fluctuations in the business cycle or if they need to expand, we are going to be with them.

We offer very competitive products but we are looking for somebody that wants us to be their bank long-term and build over time. If it is simply a transaction, we are probably not the best fit. American Bank of Missouri is truly interested in long term relationships.

CEOCFO: *Do you find customers from both the loan and deposit side are looking for relationships? Do you see that making a comeback?*

Mr. Nash: I very much think that the consumer is looking for a relationship. Perhaps some of the folks that are doing some business online may not be but certainly the vast majority of consumers that we see really appreciate the fact that there is a relationship with somebody that they can come see or call on the cell phone if they have a question. Even after hours you can get a hold of somebody and visit if there is something that comes up that needs immediate attention. I think the consumer is really starved for relationships in today's financial world.

CEOCFO: *How do you break down between consumer and commercial and would you like to see that mix change?*

Mr. Nash: The majority of our assets on the loan side would be commercial related. This strategy allows us to have the greatest impact on the community and I have always been a big small business advocate. On the deposit side we tend to be very consumer oriented. Most of our deposits are coming from consumers, we have offer numerous transaction accounts, Money Market and CDs. It is a full-service approach and we are very happy with the mix.

CEOCFO: *Would you tell us about SBA loans? Is it a big factor for you?*

Mr. Nash: We have a very strong SBA department that we started in 2017. We are always near or at the top of the market as far as production. Our key to success has been to build a team with the top talent in the region with a dedication to the highest quality loan operations and support team followed by great business development team.

CEOCFO: *Why the SBA focus a couple of years back?*

Mr. Nash: It is all about people which is the secret to any organization. I was fortunate to build a relationship with Ted Kraizer, who is absolutely the best SBA leader in the region. Over the years we were able to form a strong connection. He agreed to come onboard because we had the same vision on how to grow this department correctly from the ground up with only the best people and the best procedures. Ted came onboard and quickly added the region's best SBA loan operations supervisor in Gina Rodgers. I have given them broad authority to start and run the department with a focus on excellence.

CEOCFO: *Would you tell us about the communities you serve?*

Mr. Nash: We focus on suburban St. Louis and the communities adjoining to the west. We do some transactions in the city proper but generally we are a suburban bank, where most of the growth in new businesses occur. This is also where we find the greatest need for rental housing and for new housing and construction.

"We are exceptional because of the people that are part of our organization. The people that got on the bus, found the right seats, and determine our direction are exceptional people. No organization can be exceptional without the right people." Timothy C. Nash

We are open to all types of suburbs, so we will go into both rapidly growing as well as established suburbs around St. Louis. Our bank includes some of the lower income areas where there are needs that might not be otherwise met. We think those neighborhoods are great opportunities where some banks shrink away from but we do not. There are great people there, great tenants, great rental property owners, and great business owners. We do both the affluent as well as the non-affluent areas.

CEOCFO: *How have your communities fared through COVID and how do you help your customers through times like these?*

Mr. Nash: What we largely found during COVID is that there was significant impact on the hospitality and multi-tenant commercial office building industry but most other segments demonstrated very little impact. So early on the commercial loan side we did some deferments for some customers that were really worried that they were going to have a retail slow-down and that they wanted to preserve some cash for what they felt was coming. In the end, our commercial borrowers largely did not have significant problems. Our portfolio of commercial building owners and small business owners to rental property owners; all weathered COVID well, even better than we might have expected.

On the consumer side we reduced some of our fees on our checking products such as overdraft fees and non-sufficient funds charges, to help any consumers that might be having problems during this period. In the end we did not find significant issues most of our consumer deposit customers or our commercial loan customers.

CEOCFO: *Why do you think that happened?*

Mr. Nash: I think part of it is because the communities around St. Louis are more financially conservative than what we see on the coasts. On the loan side we have concentrated on quality borrowers with strong and diversified cash flow sources. During this period the bank took a gentle approach with its business customers, and the businesses needed to do the same thing with their customers. We really did not see the severe COVID impact that you might have expected.

CEOCFO: *What is the competitive landscape as far as other community banks? Are there many in your area that look at relationship first as you do at American Bank?*

Mr. Nash: I do not think that most banks concentrate on relationships. I think that some of them know and say it but in reality, they are looking for transactions. When you truly break it down, there are not truly many relationship-based banks in our market. We have some great competitors but over the past decade there has been consolidation in banking particularly amongst the relationship bankers and we have benefited from this opportunity to gain market share.

There are fewer of us out there today and the market really is wide open for growth. We simply can out-compete, we are more nimble than the larger institutions and there are fewer competitors today. There are a lot of consumers wanting that relationship. Competition at this point is not a limiting factor for our growth.

CEOCFO: *Do you do much outreach for new customers?*

Mr. Nash: The majority of new customer acquisition is word-of-mouth referrals. That is part of that special relationship that we have with our customers. We either grow with that customer or they are giving us a warm referral to folks that they know in the business community. Very little would come from advertising or unsolicited calls. Almost everything is a warm referral for us.

CEOCFO: *What does 2021 and 2022 look like for you?*

Mr. Nash: The next two years look very strong and we are expecting growth between 15% and 20%, both on the deposit side and on the loan side. 2021 has started out very strong for us from both an earnings to asset growth perspective. The future looks very positive. We believe it is going to be a robust period of time. There is lots of national stimulus in the economy right now and I think as that works its way into the economy, you are going to see tremendous opportunity for the next several years.

CEOCFO: *What has changed in your approach over time and what have you learned along the way that makes American Bank of Missouri different than it was five or ten years ago?*

Mr. Nash: I think from when I first started with American Bank of Missouri and as you do more strategic thinking as a CEO you really buy into the concept that it is all about the best people. Maybe when I first started out I was not as focused on the critical need to dedicate a significant portion of my time cultivating additional talent.

The best people in the market are looking for a culture that allows them to contribute at their highest level. We simply are dedicated that we only want the best people in the market to join our team whether that comes from the deposit side, the loan side or the administration side. We want quality human beings, the best in the market, and hopefully with people that you think are smarter than you. Bring on people that are smarter than you and watch them succeed. I think that is what we have done.

CEOCFO: *How do you tell when someone is right for the bank on the entry level or teller level?*

Mr. Nash: One of the more difficult things in banking to get that personnel mix correct. At this point, I think you have to rely on leaders that are seasoned in our culture to conduct face-to-face interviews. Face-to-face interviews and lengthy discussions where you talk about what makes them happy in their work environment and what they are looking for in a career. We explain in detail how the processes work and what we are looking for, and to make sure they are buying into the fact that we are a relationship bank and they are going to build relationships with their customers. They are going to have a voice in how the bank is run and what direction we go as an organization. They are more than welcome to have a voice as they contribute to what they want to see happen. You can learn from everybody in our organization.

CEOCFO: *How is American Bank of Missouri exceptional?*

Mr. Nash: We are exceptional because of the people that are part of our organization. The people that got on the bus, found the right seats, and determine our direction are exceptional people. No organization can be exceptional without the right people.

We came across in 2006 with a very strong team of women that are in leadership positions in the bank and that is a little unusual for our industry. Our executive vice president and COO Melissa Springmeyer, our chief credit officer Susan Nash in charge of the loan department, compliance officer Carol Hopper, our human resource officer Kyle Martin, and Tammy Miller our longest tenured commercial lender are all women. They are very strong individuals that contribute in these leadership roles and we have embraced their talents and perspectives. They have made us a great organization.